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THE
SPEECHES
OF
ROBERT RICKARDS, ESQ.
IN THE DEBATE IN PARLIAMENT
ON THE
RENEWAL OF THE CHARTER
OF THE
HON. EAST INDIA COMPANY,
The 2nd and 14th of June, 1813 ;
WITH
APPENDICES,
AND
*An Examination of the Company's Accounts laid before the Select Committee
of the House of Commons.*

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*Kirkman Finlay Esq -
from his friend
The Author -*

SPEECHES

OF

ROBERT RICKARDS, ESQ.

IN THE HOUSE OF COMMONS,

ON

THE AFFAIRS OF INDIA.





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TO THE
RIGHT HONOURABLE
LORD GRENVILLE,
&c. &c. &c.

MY LORD,

“By what political, by what commercial, institutions, can the British Parliament best provide for the happiness of the people of India?” was asked by your Lordship in the House of Peers on the 9th of April, in the discussion of a question in which this important legislative duty was by some too little considered, and by others wholly overlooked. It is an enquiry worthy of your Lordship’s patriotism to institute, and of the wisdom of the British Senate to pursue.

In my view of this interesting subject, after twenty-six years residence among the people of India, the means wanting to their happiness are two-fold.

Moderation in the rates and collection of
the land-tax, and
Freedom of trade.



To prove the necessity of attention to these two essential points, is the object of this publication; and I present it to your Lordship in the fullest conviction, that the state of things it describes can only be improved by application of the admirable principles of your Lordship's speech: where, with impressive eloquence, it is shown to be our first duty to fulfil the sacred obligations of justice to our Asiatic subjects, and to restore them to rights which our present institutions too obviously violate.

Accept, my Lord, this public and sincere tribute of the respect and consideration, with which I have the honour to be,

MY LORD,

Your Lordship's

obedient and humble Servant,

ROBERT RICKARDS.

Stratford Place,
January 31, 1814.



PREFACE.

THE delay which has taken place in publishing these Speeches has been occasioned by the variety and magnitude of the accounts, laid before the Select Committee of the House of Commons, on the part of the East India Company.

The opportunity, from these documents, to ascertain the real state of the Company's affairs, was too important to be hastily dismissed; and as an impartial examination of these voluminous records, which have been brought forward to exhibit all the operations of the Company, during a period of seventeen years, proves the failure of every expectation of public or private advantage, and affords the most conclusive argument for opening the trade to the better management and more vigorous exertions of individuals, an exposition of these details for public review was deemed indispensable, and has required more time than was expected, when the labour was first undertaken.

All the observations on the accounts are collected in the Appendices to the Second Speech, and at the end of this volume, in Part III. If they be



found to justify and strengthen a suggestion for relinquishing or abolishing the monopoly, this commercial regulation is only recommended as secondary and subordinate to a nobler purpose of national policy—the prosperity of a numerous race of people, whose claims on British justice and humanity are more particularly the subject of the First Speech and Appendix.

To improve the condition, increase the happiness, and promote the civilization of the native Indians, is all the Author proposed when he first submitted his sentiments to the House of Commons, and he now offers them to the Public, with additional evidence, to shew, that the accomplishment of those views is compatible with the soundest principles of commercial policy, not less than it is a duty required of those who have incurred the responsibility of governing a vast empire.

N. B. In some of the printed copies of the Select Committee's Reports, the Third and Fourth are paged, each beginning with number 1. In other copies the Third begins with page 355; and the Fourth with 415. Where these Reports are referred to in this work, as they generally are, by the first mentioned order of paging, the difference should be added to find the place quoted to in those copies wherein the last-mentioned order is adopted.



PART I.

FIRST SPEECH,

DELIVERED JUNE 2, 1813,

IN A

COMMITTEE OF THE WHOLE HOUSE,

ON THE RESOLUTIONS FOR RENEWING THE CHARTER OF THE
HONOURABLE EAST INDIA COMPANY.

MR. CHAIRMAN,

ON the great and important question before the Committee, I solicit your indulgence to the few remarks I have to submit.

The habits of my life having been widely different from those which qualify for public speaking, I should not presume to intrude myself into the debate, did I not think the consideration of the question would be benefited by a thorough knowledge of facts; nay, that a just decision on the Resolutions depends more on facts connected with the case, than on arguments, or opinions, however ably or eloquently delivered. The observations I shall venture to make are the result of diligent inquiries and actual experience in the country for which we are about to legislate, a country in which I have



passed the best years of my life, and I shall never cease to feel a warm interest in all that may tend to promote its welfare.

The first and chief point of consideration, as it appears to me, is the condition of the inhabitants of India, the state of its internal government, and the means of increasing the comforts, happiness, and security of the people. Compared with this, all other points of the question, in my humble estimation, sink into insignificance. The resolutions, however, do not touch on this part of the subject. Whether it has been thought there was not time enough to discuss an object of such importance and magnitude, or whether the information hitherto collected has not been deemed sufficient, I shall not stay to inquire; nor is it my intention to press it on the attention of the Committee, further than as it is intimately connected with the commercial question to which the resolutions are chiefly directed.

It must be obvious, that a nation, however rich in itself, can derive but little benefit from trading with a country of beggars: which, generally and comparatively speaking, is the state of India, exhibiting a numerous population spread over a vast country of great natural fertility and easy cultivation, and tilling the land for subsistence; all other means of employment being very limited. There are, no doubt, exceptions to this, as to every other general rule and position, in the great commercial towns of India, where property is secure, and taxa-



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tion light: wealth is there accumulated, and, by expenditure, diffused so as to improve the condition, and promote the comforts, of all the different classes of inhabitants. But the blessings of this diffusion are restricted to these very narrow bounds. Owing to the rigour of our Revenue Institutions, and the exorbitant Rates of our Land-Tax, commercial wealth does not in India, as in Europe, overflow to the agriculture of the country; it is restrained both in its expenditure and useful employment. Rich towns, where they do exist, are surrounded, at no great distance, by a numerous agricultural people, deriving from cultivation of the land a scanty maintenance for themselves and their families, having little or no surplus produce to exchange with the towns, but what barely suffices, from the proceeds of its sale, to answer the demands of Government for revenue. The transition from the narrow circle of commercial wealth to the wide-expanded fields of agricultural wretchedness is immediate; and the great mass of the people are doomed, not only to a miserable but to a confirmed state of poverty—to a state of poverty for which I see no remedy but in a very material change of our Revenue Institutions in those districts where it can yet be effected, and where it cannot, there is no resource for improving the abject condition of the natives, but in the freedom of trade; on which, as a consideration immediately growing out of the Resolutions before us, I shall beg leave to express my sentiments, after premising that our Revenue

systems in India are founded on a principle adopted into the political practice of our Government, *that the Sovereign is the Proprietor of the soil, and, as such, entitled to one-half of its gross produce, or thereabouts.* This principle, revolting as it is to British ideas of property, can be traced no higher than to the Mahommedan conquerors of India, who, by their exactions, and excessive impositions, are considered to have absorbed the net rent of land in the amount of the tax, and to have annihilated the respectable class of landed proprietors properly so called, or to have reduced them and their descendants to the degraded condition of cultivators or labourers in their paternal fields*.

This opinion is founded on there being no trace of the same rate of taxation in those countries where the Mahommedan arms did not penetrate, and where the ancient Hindoo institutions may therefore be supposed to have descended unchanged from the most remote antiquity. At all events, we found this principle established in the countries conquered by us from the Mussulmāns; and, wherever it prevails, the Ryot, or farmer, having only the other half left to him as his share, from which he is to supply all his expenses of cultivation and maintenance, and to save seed for the ensuing year, is reduced to a degree of poverty and degradation very little removed, in some districts which I have seen, from the condition of savage life,

* Vide Col. Wilkes on the South of India.



Mr. Colebrook, in his treatise on the husbandry of Bengal, says, that a cultivator at half-produce is worse off than a labourer in the cultivator's own field, who is paid at the rate of two annas *, or about three pence sterling, *per diem*. He has neither stock nor capital sufficient to carry on any but the most wretched husbandry: he is often obliged to borrow money at heavy interest, secured by a species of mortgage upon the coming crop; and when it is also remembered, that this exorbitant land-tax of half produce is collected, or rather exacted, by a numerous establishment of Native servants †, who take as much more as they can get for themselves, and whose acts the European Collector cannot by any means sufficiently controul, it is hardly possible to conceive a condition more deplorable, or more adverse to the advancement of civilization and prosperity, than that which the Ryot of India actually exhibits: he may well be described in language lately used by the Honourable Directors, to live all "his days on rice, and to go half covered with a slight cotton cloth ‡;" for the wretched being here described can afford nothing better.

* Vide Remarks on the Husbandry of Bengal, p. 102.

† The conduct of our native revenue collectors is very strikingly displayed in the Report of an Inquiry into their alleged malpractices in the Tanjore district, of which an abstract is given in the Appendix.

‡ Printed Papers respecting the Renewal of the Company's exclusive Privilege, p. 234.



When Government take all but what is barely necessary for the support of the Ryot, there can be no intermediate proprietor; society is therefore deprived of the advantages arising out of a regular gradation of ranks; of those natural ties and authorities which serve at once to give strength, animation, and security, to the whole body, and to attach it most effectually to the ruling power; it consequently loses the benefits of the expenditure of private wealth, which is the best support and stimulus of the labour and industry of the poor. A government absorbing *the net rent of land* in the amount of a tax, which leaves to the cultivators, for the expenses of agriculture and the maintenance of himself, his family, and dependents, only half the produce of his fields, can never, by any expedients, supply the blanks and deficiencies in society, nor remedy the evils, which its own improvident act has occasioned. A rigid enforcement of this principle of taxation must necessarily induce the very worst condition of society that can be conceived to exist, viz. a limitation of classes to the despots who rule and the slaves who obey; and in proportion as political causes check the growth of intermediate ranks, the people will be found to approach this point of extreme misery and weakness.

Where the sovereign is sole proprietor, and takes the fruits of cultivation to this extent, there can be no land in the market for sale; and, if there were, capitalists would not buy what was so obviously in-



capable of yielding them any return; or if, to render these lands marketable, the sovereign proprietor relinquish a very small portion of his demand for revenue, it is at best but a short remove from the former point. The field for the employment or expenditure of the commercial wealth accumulated in towns is, by this operation, but little enlarged; whilst many of our most enlightened Indian servants have thought, that thus to create a class of landed proprietors, allowing them only a modicum of the general produce for their own share, is rather an aggravation than a mitigation of the original evil*.

Though this principle of taxation, dividing the produce equally between the Sovereign and the cultivator, be very generally asserted, and even acted upon throughout the greatest part of India, it may still be urged, that it is not very rigorously enforced. To this I should reply, that an exact execution of it in practice is *utterly impossible*. In the first place, having myself made some experimental inquiries into this matter, I am led very strongly to doubt, whether one half of the actual produce of land, taken in a large extent of country of various soils and capabilities, (whatever it may be in particular fertile spots) and in a country, divided as India mostly is into small tenures, be sufficient for the maintenance of the class of cultivators, and the expenses of their husbandry. It is, however, the

* Vide Col. Munro's Letter, 15th Aug. 1807, in Appendix to Fifth Report of the Select Committee on the Affairs of India, p. 943, 944.



share, nominal or real, allotted to the Ryots of that country; and its consequence, as noticed by Mr. Colebrooke and others, is always extreme poverty.

In the next place, though there are accounts all over India pretending to show the actual produce of every field and garden, and its division into shares, with minute accuracy, I have no hesitation in asserting, that it *never was, and never can be, accurately ascertained**: and if any one will take the trouble of calmly reflecting, what infinite variations, in this respect, must necessarily arise in all countries from soil and climate, no two fields, perhaps, being exactly alike; from different degrees and means of irrigation; from changes in season and weather, neither to be foreseen nor calculated; from accidents, such as inundations, tempests, droughts, blights, &c.; from the different degrees of labour, skill, or capital, employed in the cultivation; and from changes from year to year, in the articles produced; and still more, if any one will

* A perusal of Col. Munro's Letters in Appendix to Fifth Report, p. 745 to 752, will show how liable all land surveys, and accounts of landed produce, are to fraud, error, and arbitrary imposition; and also how insufficient the precautions suggested by this distinguished collector must ever prove to remedy these evils. When Col. Munro asserts, that "*there is perhaps no Curnum (native accountant) who in any one year gives a perfectly true statement of the cultivation of his village; and it is only the fear of suspension or removal that can make him give such accounts as are tolerably accurate*;" he only advances what is still further corroborated by Mr. Shore (now Lord Teignmouth) in his minute entered in the same Appendix, and is indeed consistent with common experience in this department of the revenue.



attempt personally to examine any extensive spot with a view to ascertain its actual produce, he will be fully convinced of the truth of this position.

Notwithstanding the utter impossibility of framing these accounts, with sufficient accuracy to make them a basis of any thing like a just and equal system of taxation, we have been in the habit of trusting to them in India very generally; they are the avowed groundwork of our revenue collections, on account of the plausibility with which they are framed, notwithstanding the Indian records contain abundant proofs of their being a mass of error. Some of these records lately printed *, and now on the table of this House, contain avowals by the highest Indian authorities of the extreme inaccuracy of these accounts, and how little they are to be relied on, after the most laborious and meritorious exertions of the Company's ablest servants had been for years devoted to perfect them.

In an extensive district, of which I was once Collector, I found the village and Canongoe accounts complete fabrications, though the collection went on, that is, certain sums were annually realized by the Native Collectors from certain districts, just as if no error prevailed. In several cases I ascertained, by personal inspection, that large tracts of cultivated lands were wholly omitted from the accounts; whilst, in others, they exhibited a most minute detail of produce from rice lands and plantations, where, on proceeding to

* Fifth Report.

the spot described, no such produce had ever existed within the memory of man. This country abounded with cocoa-nut, beetle-nut, and mango trees, all assessed to the revenue; the former, more especially, vary exceedingly in their produce, in proportion to their distance from the sea: the trees of the same garden also bear differently; yet one uniform tax of 56 reas per tree was applied to all. Besides this inequality in the application of the tax, its amount was greatly more than the value of that portion of the average produce of each tree, which Government claimed as its own share; so that to enable the holder, or cultivator of these lands, to pay his tax on the over-assessed trees, a certain number of other trees in the same garden were given up Khas, or free of tax. In other cases, I have known the revenue assessed on cultivated fields actually exceed the *gross produce* of the spot *; in which case the Ryot was forced in each year to cultivate his land, but was allowed to hold other lands, either tax-free, or assessed lower than the established rate, to enable him to pay this *extravagant demand*. This is sometimes called justice to the Ryot; but it is rather an act of necessity, for without it the tax could not be paid at all; and if we consider the collusive dealings, the fraud on the one hand, and the oppression on the other, to which such a system

* Col. Munro, in the Letters before referred to, p. 749, also says, "in every village, in every season, there are a few fields whose produce is not equal to their rent."

is peculiarly open, coupled with the absolute impossibility of distinguishing under it, with accuracy, the rights of Government from those of the cultivator, can any impartial and reflecting mind fail to be convinced of its arbitrariness, hardship, and injustice? that the tax has been of necessity, and probably in most cases, assessed upon the Ryots, by no other measure than their supposed ability to pay it? that there is nothing certain in it but its exorbitance? that it pretends to a precise rule, which never can be accurately applied in practice? and that its magnitude occasions so large a proportion of the produce to be taken by Government and its officers, as to "leave to the unfortunate Ryot (in the words of the 5th Report*) little more than what he is enabled to secure by evasion and concealment?"

There are other persons, besides actual Ryots, who share in the general produce of the soil, known by different names in different parts of India. They are all enumerated and classed in the 5th Report; but the amount of the sovereign's share is so great, that the portion allotted to the other sharers are not sufficient to raise them above the poverty of the Ryots themselves. In this respect all are poor alike, or with few exceptions. But this supposed right, is productive of further evil, in the vexatious inquiries which have been set on foot to ascertain and extend the assertion of it; and in a constant interference in the business and pursuits of indivi-

dual subjects, which a sovereign never can exercise but to the material obstruction of general prosperity*.

In the official vouchers subjoined to the 5th Report there are several striking examples of the effects of this interference; and with so many recorded proofs before us of the evils resulting from this system of taxation—a system too obviously inconsistent with all sound principle—does it not behove us, now that we are about to legislate afresh for that country, if we really wish the prosperity of India, to examine, to expose, and to remedy, where we can, existing impediments to the progress of improvement? Neglect, oversight, or silent toleration of evils, will be grounds of just reproach on our proceedings.

The disorder and vexation, the great irregularity and various abuses attendant upon this system in Bengal, were deplored in strong terms by the Court of Directors, in their letters previous to 1793, and in the Minutes of my Lord Cornwallis and Mr. Shore †. The general state of these provinces, indeed, led to the appointment of Lord Cornwallis as Governor-General. That nobleman, of whose moderation, love of justice, and humanity, no human being, I believe, ever doubted, introduced what is known in India by the appellation of the Zemin-

* Mr. Shore's Minute before referred to, Appendix to Fifth Report of the Select Committee.

† See these official documents printed in the Appendices to the Second and Fifth Reports of the Select Committee.



dary or Permanent Settlement. The object of this change was to limit and define what had before been fluctuating, arbitrary, and unequal; and to establish a class of landed gentry in India, from which were expected to result the same benefits which other countries have experienced from the gradual formation of the middling and independent classes of society. The lands were accordingly divided into estates, and made the free and hereditary property of a Zemindar, subject to a land-tax to the Government, for which the estate itself was answerable; and with a view of adding the value of permanency and security to this property, the tax was declared to be fixed for ever. But what was the amount of this tax? The average of former years' collections was assumed as the basis of the expected realization of revenue from the country under the new system. The necessities of Government for paying their great military and civil establishments perhaps required such an amount of revenue; and the tax appears to have been accordingly fixed, so as to yield a sum fully equal to the collections drawn from the country during the period of disorder and exaction above referred to, and considerably exceeding those of Acbar's reign, when Bengal is described to have been in a more wealthy and generally prosperous state*. In order, therefore,

* Vide Mr. Shore's Minute before referred to; also Letter from the Court of Directors to the Supreme Government, 19th Sept. 1792, Second Report, p. 169.



to realize this revenue, the following arrangement occurred :

Of the supposed or estimated gross produce, it was found necessary that the Ryot should retain his customary share of one half : universal experience proved that he could not possibly cultivate the land with less; the remainder, after allowing for the trifling portions of other sharers, constituted what may be termed the net rent, of which Government took 10-11ths, according to some, or 9-10ths, according to others, leaving only 1-10th or 1-11th to the proprietor.

Now, Sir, I would put it to the feelings of those Gentlemen who hear me, and particularly to the landed interest of this kingdom, what they would think of a Government which should take from them, as a direct land-tax, 10-11ths of the net rent of their estates; and whether they think it possible for any people on earth to flourish under the pressure of so heavy an imposition? Let it also be remembered, that this imposition was abruptly introduced at a period when the country was already exhausted by the disorder, oppression, and abuses, which are acknowledged, by the highest authorities, to have marked the preceding administration of its revenues.

It appears to me, that *the exorbitance of this land-tax* completely destroyed, from the beginning, all the other benefits of the permanent system of Lord Cornwallis, and counteracted the good effects which, under a more moderate assessment,

might probably have resulted from it. What was intended to be granted to the Zemindars as a boon, was of too little value to be felt as such; whilst the measures with which it was accompanied deprived it entirely even of that little value.

The Zemindary settlement was introduced into Bengal with a code of Judicial Regulations, by which, among other humane objects, it was provided, with a view to relieve the Ryots from arbitrary punishment or imprisonment on the part of the Zemindars, that the latter should be only allowed to recover arrears of rent from the former, by means of a judicial process in the Adaulut. This process, necessarily a slow one, was rendered still more so by the vast accumulation of causes, which, from the beginning, clogged the proceedings of the courts. The Zemindar, in the mean time, fell in arrear to Government; and the exorbitance of the tax, coupled with his own poverty, rendering him unable to discharge it, his estate was, by the same regulations, rendered seizable by the Collector, and might be put up to public sale, to satisfy the demands of Government. This latter process being much more concise and expeditious than that of the Adaulut against defaulting Ryots, it followed that the Zemindar was deprived of his lands and hereditary possessions on account of arrears, long before he could recover from his tenants, under the regulations of the same Government, that which could alone enable him to satisfy the public demand. In

this way the whole landed property of Bengal is represented to have changed hands, and its most ancient families to have been reduced from a state of influence and respectability to heavy distress, beggary, and ruin.

These effects are described in the 5th Report, in the following terms. The Collector of Burdwan writes, in 1794*, " That the Raja begs leave to submit it to your consideration, whether or no it can be possible for him to discharge his engagements to Government, with that punctuality which the regulations require, unless he be armed with powers, as prompt to enforce payment from his renters†, as Government had been pleased to authorize the use of in regard to its claims on him : and he seems to think it must have proceeded from an oversight, rather than from any just and avowed principle, that there should have been established two modes of judicial process under the same Government ; the one, summary and efficient, for the satisfaction of its own claims, the other, tardy and uncertain, in regard to the satisfaction of the claims due to its subjects ; more especially in a case like the present, where ability to discharge the one demand necessarily depends on the other demand being previously realized."

The Collector of Midnapore writes also in 1802 on the same subject as follows :

" All the Zemindars, with whom I have ever

* Page 59.

† Page 60.



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had any communication, in this and other districts, have but one sentiment * respecting the rules at present in force for the collection of the public revenue. They all say, that such a harsh and oppressive system was never before resorted to, in this country; that the custom of imprisoning landholders for arrears of revenue was, in comparison, mild and indulgent to them; that though it was, no doubt, the intention of Government to confer an important benefit on them, by abolishing this custom, it has been found, by melancholy experience, that the system of sales and attachments, which has been substituted for it, has, in the course of a very few years, reduced most of the great Zemindars in Bengal to distress and beggary, and produced a greater change in the landed property of Bengal, than has perhaps ever happened, in the same space of time, in any age or country, by the mere effect of internal regulations."

From this official account of the injuries sustained under the Zemindary system in Bengal, they must be admitted to be very grievous. For my own part, I cannot but ascribe them wholly to the exorbitance of the land-tax; for whatever may be referred by others to errors and inexperience upon the introduction of a new system, I cannot conceive it possible, especially when I know the extraordinary attachment of Native Indians to their landed property, that so dire a revolution, and such dread-

* Fifth Report, page 60.



ful distress, could ever have occurred, if the original tax had not been, from its amount, and mode of collection, intolerably oppressive.

For several years after the introduction of the Zemindary settlement in Bengal, the Calcutta Gazette teemed with advertisements for the sale of lands in arrear to the revenue. It is remarkable also, as appears from the statements lately published, that the lands at this time only sold for just enough to clear off the arrear*. Now, if we suppose a part only, and not the whole revenue of the year, to have fallen in arrear, it follows that the lands at this time were of so little value in general estimation, as not to realize one year's purchase of their *real* net rent, and probably only a very few years purchase of that portion of the rent allotted to a misnamed proprietor.

To prevent these arrears of revenue from accumulating, it has been found necessary, in later years, and in fact the only remedy that could be devised for this distressing evil †, to restore the former summary power of the Zemindars ‡ over the Ryots, in respect to the recovery of arrears of rent. But it should be recollected, that the present Zemindars are mostly monied men of Calcutta, who send out agents or stewards to manage their estates, from whom the Ryots are not likely to experience more lenity than from the old Zemindars,

* Vide 5th Report, p. 56.

† Fifth Report, p. 61.

‡ Reg. VII. 1799.



who had an interest in securing the attachment of their dependants. It is also, as far as the regulation admits, a recurrence to the former system of arbitrary punishment and imprisonment, which Lord Cornwallis so anxiously endeavoured to avert from this class of the population; the only benefit, therefore, which would seem to have resulted from this change, is the restoration of a power that causes the revenues, or land-tax above described, to be paid with greater regularity into the public treasuries. It cannot be said to be any great advantage to the Ryots, or to be likely to conduce to the improvement of their condition.

Up to the year 1800, much the same kind of revenue system seems to have been in force at Madras, as is already described to have prevailed in Bengal previous to 1793. The Second Report * apprises us on the authority of my Lord Wellesley's government, in a letter dated in 1800, that "*those valuable possessions (meaning the ancient possessions of the Company on the coast of Coromandel) were destitute of every institution which could either promote the ease and happiness of the people, or the vigour and efficiency of the Government.*"

To remedy this deplorable state of things, the Bengal Zemindary system, and its accompanying judicial regulations, were ordered to be introduced into the Madras provinces. It has accordingly been extended to some of them, with this



modification, as to the Sovereign's revenue, that it averages at Madras about 8-10ths, instead of 9-10ths, as in Bengal, of the net rent of estates. It has also been introduced into districts where no Zemindars previously existed; where the Sovereign, being considered sole proprietor of the lands, divided their produce with the Ryots; and where Government consequently erected a class of men, by purchase or grant, to occupy allotted estates, under the denomination of Mootahdars.

The Fifth Report notices a pretty general failure of this system in the Districts under Madras, to which it had been extended, and gives in the Appendix numerous opinions, by the most distinguished servants at that Presidency, adverse to its operation, and further extension. There are also some able opinions in its favour; but the general prepossession being against it, the further introduction of the system seems there to have been suspended. It is not my intention to discuss the relative merits of the different systems now prevailing at Madras, for this does not appear to be the question before the House. I shall, therefore, merely observe, that the tax, under all of them, is, in my opinion, greatly too high, and consequently the main defect of the whole; whilst under a more moderate assessment, the Zemindary system would certainly possess some advantages, of which the others would still be destitute.

The exorbitance, however, of the tax, and the absolute necessity of its punctual discharge, it has

been often asserted by respectable authorities, leave to the Mootahdar no alternative, in attempts to improve his own miserable share, but to trench on the portion allotted to the Ryot, since he cannot invade that of Government with impunity, by which means the Ryot's condition is made worse than it was before. The following letter from a native of great respectability, to the Governor of Madras, describing the effects of the Mootahdary system in the district where he resided, confirms the truth of this assertion; and as it is an interesting document, which may relieve the tedium of my detail, I shall beg leave to read it for the information of the House; and the more especially as with some allowance for its style, and the warmth of some of its expressions, I feel confident, from my own knowledge of facts, as well as the information of others, that it gives no unfaithful account of the general conduct of Mootahdars, and of the evils to which the system, under existing circumstances, is irretrievably liable.

“ HE IS THE JUST GOD.

“ Let them present this to the resplendent sight of the Right Honourable Lord William Bentinck, Governor in Council, the cherisher of mankind, may the shadow of God long remain upon him.

“ The Dessinooks, Desspandies, Naat Goms, and Shambogues, the ancient Landholders, Puttiels, and Ryots of every description, natives of or resident in the districts of the Bara Mahl, and other depen-



dencies of the Sircar of the Company, the seat of prosperity, in consequence of the *system now* in force, openly, and without service, at all times, and in every condition, thus among themselves, bear testimony.

“ 1st. During the reign of Hyder Ally Khan Bahauder, the whole of us Ryots, devoting ourselves honestly to the payment of the Government taxes, gained from our own shares livelihood, and enjoyed protection, security, and ease; afterwards also, for a certain period, whilst subjects of Tippoo Sultaun deceased, we passed our time, as before, happily free from care and sorrow, were objects of favour and attention, and surrounded with justice. During the latter part of the life of Tippoo Sultaun, who, notwithstanding his addiction to pleasures, was a well-intentioned man, true to his promise, a lover of justice, and attentive to the complaints of his people, owing to our being delivered over to oppressive Aumils, and Assofs of a cruel disposition, unable to preserve our effects and lawful property, we became affected, and from our heart and soul, tired of our very existence. Whereas having repeatedly heard reports of the humanity of the Sirdars of the English Company Bahauder, their compassion for the poor, love of justice and equity, regard to the condition and complaints of the suppliant, attention to the benefiting of all classes of people, as well as their fair dealing and observance of agreements, which exceed the bounds of common publicity, and embrace the whole world, we entreated of the Lord of



Majesty and Glory, with the utmost fervency of prayer, that having, for the comfort and support of us poor creatures, delivered over the rein of Government of these districts to the guidance of the Sirdars of the Company, who are the centre of moderation and justice, and the refuge of the poor, he would effect the freedom and happiness of us distressed people. Praise be to God, that agreeably to the earnest desire of our breasts, so did it take place. The banners of Lord Cornwallis's army, the emblem of victory, having moved towards the Ghauts, after a series of warfare, peace was concluded, and the province of the Bara Mahl being taken by the English, was committed to the management of Colonel Read Bahauder, with a view to afford the oppressed inhabitants the enjoyment of peace and prosperity. By the favour of God, the above-mentioned Colonel, after having carried into effect a regular arrangement and administration of the affairs of the country as was proper and becoming, with a strict regard to justice, in attending to our comfort happiness and general welfare, surpassed the accounts that had been heard of respecting the just administration, the observance of which was an invariable rule of conduct, of the Chiefs of the English Company Bahauder; thus we all, of every description, from the marsh of distress, reached the banks of liberty and security, from the time of Colonel Read Bahauder, until that of the present Mr. Groeme; we passed our time contentedly, and with peace of mind, and returning thanks to the



Almighty, we offered up our prayers for the continuance and stability of the Company's empire; and, reflecting on the access we had to favours, and the return of peace and safety, we formed a firm resolution, the effect of the most fervent good-will and devotion to the state, that if hereafter, by the decrees of fate, any foe or rebel should threaten the territories of the Company, ere the waving of the standards of the army, the semblance of conquest, we, setting an example, would ourselves correct, punish, and exterminate the impotent enemy.

“2d. We are ignorant what instances of treachery, discontent, or impropriety of conduct on the part of us poor people, have been brought to proof by the officers of the British Government, the seat of prosperity; that now, suddenly casting us down from the height of respect and esteem, they have confined us in the depths of neglect and distress; that is to say, having divided and permanently parcelled out the Bara Mahl, &c. into several distinct Mootahs (*farms*) have committed them to the authority of mean, despicable wretches, who, from father and forefather, till the present time, followed no better profession than that of vending milk, retailing spirits, preparing dried cow-dung for fuel, attending on sheep and oxen, or the service of people of an inferior condition; people, who were formerly obedient to, and dependant on, the families of us inhabitants for support; they, who were then in want of a farthing, immediately that they enjoyed their own free-will, became as is the



dominion of the sea; and in the excess of vanity and pride, agreeably to this saying, 'the vulgar man when seated on a lofty terrace, pisses and throws rubbish on that which is beneath him,' forgetting the origin and profession of their ancestors in the commencement of their Government, stretched forth the hand of force and violence over us, and by constantly making exorbitant demands, insisting on fines, ruining our reputation by abuse towards our wives and daughters, and disgracing us by blows and stripes, have girt their waist with the skirts of obstinacy, in dishonouring and making abject us poor inoffensive people; in so much, that not being able to submit to oppression, and brook disgrace from the hands of those, who, till yesterday, were low-lived scavengers in need of our support, from continued suffering and affliction, our souls have reached our very lips.

"3d. The Company's officers may say, 'Lest any one, cruelly disposed and possessed of power, should act injuriously and tyrannically towards another, we have nominated and appointed to every Zillah, gentlemen of the law, to administer justice, (for instance, the court of law in the Bara Mahl is at Salem) who, in the event of a petition, or appeal to them, make proper inquiry into the business.' We know this to be true. The gentlemen of the law in every Zillah, fairly and without partiality, attend to the complaints of the poor and insulated suppliant; and when a petition is presented at the court of justice, they make inquiry, as soon as pos-



sible, into the particulars; and having given their decision in conformity to equity and law, they give admonition to the transgressor, and render to him, whose cause is good, that which is his due; of all this there is no doubt; but what prospect has the needy petitioner of being able to reach the presence of the officers of justice? For example, should the poor husbandman, who pays ten small Madras fanams as a tax on cultivation, unable any longer to submit to be wronged and insulted, go to Salem to the officers of justice, to complain of the oppression of the Mootahdar, ten or twelve Rupees are requisite for food for the journey, and for the time he may have to remain there; besides which, something is also required to be given for writing the petition; thus, how can he support the burden of so many expenses, and whence can he obtain such a sum? In addition to the above, the desolation of his dwelling, impediments for the cultivation of his land, and the starvation of his children, are increased. Again, should any one of known honesty and good credit be able, by borrowing money, to provide what is required for the journey, he comes to the court-house, and there presents his petition. Since hundreds of people daily present themselves to, and press upon, the officers of justice, they enjoy not a moment's leisure; although, first attending to affairs of importance, and arranging them agreeably to priority, they investigate fairly, and decide as is fit and becoming, still the petitioner, unable to afford the expenses required for so

long a continuance of absence, is obliged, on the approach of distress, to return along with the Mootahdar, whose teeth are chattering with rage towards him.

The Mootahdars, without hesitation, tell us, ' we have purchased the country, and its inhabitants from the Company, and have unrestrained command over them, so great is our authority, that if we take a liking to any particular person, we can give him as a present, land valued at 150 pagodas; or, if we wish to humble or ruin any one, we have the means effectually of depriving him of his reputation, and plundering him of his property. Neither the lord, judge, or collector, have so much power as this in our Mootahs (*farms*), and over our people, or will they ever have it; what signifies the complaints of wretches like you?' Should the Ryot prefer an accusation in a court of justice, the Mootahdar construes it into a most serious crime; and, in consequence, an extent of violence and cruelty is the result. Thus to complain against the Mootahdar, is, in fact, striving to draw down oppression on your own head. In submitting patiently there is no relief, to lament and bewail is equally unavailing.

" 4th. Again, to be constantly stating trifling injuries to the court at Salem, which is five or six days journey from Kistnagherry, and other places, is quite out of the question; for a second loss would arise greater than the first. For example, gentlemen travelling to and from distant parts of the country, frequently pass along on the high road,



through these districts. The orders of the collector are issued by the Thasseldar for the collecting of, and selling to the travellers, grass, firewood, fowls, eggs, sheep, and other articles, as may be required by them. The Thasseldar enjoins the Mootahdar to be attentive. The Mootahdar by force, seizes from the house of each individual Ryot, firewood, grass, fowls, eggs, &c. In this manner he collects together, in one place, whole maunds of butter, and fowls, sheep, &c. in great numbers. These he gives out to the gentlemen at a certain price, as they may require them; what remains (and this amounts to a considerable quantity) he sends away to his own house. Thus, for the sake of a little butter, grass, and a few fowls, &c. how can each poor farmer, quitting his house, and the cultivation of his fields, afford to go to Salem, which is at least five or six days journey distant, and requires ten or fifteen Rupees for the attendant expenses?

“ 5th. Many of these Mootahdars of low descent and connection, destitute even at one period of bread, who, were they to work the whole day together with their wives and children, would, with difficulty, gain a single Madras fanam, thus publicly make mention, ‘ Should the officers of Government, observing the desolation of the country, and the distress of the inhabitants, which has proceeded from our harsh treatment, conceive us to blame, and depriving us of our employment, put us into prison, what harm does that do us? Whatever we now acquire, with or without the consent of the inha-



bitants, accumulates into a capital sufficient for our sons and daughters; to us also, when confined, they give a double fanam daily, agreeably to the articles of the regulations. So great a degree of indulgence may be estimated as the height of good fortune; besides all this, after we have been kept in confinement a certain time, they will at length release us.'

"6th. The Company's servants possess the most enlightened judgment; their knowledge of what is for the good of the country is as boundless as the ocean; they have, moreover, an acute genius in carrying on affairs of a trifling as well as those of an important nature; what advantage then can they have expected in thus distressing and ruining us poor Ryots, by transferring our country from beneath their own immediate authority, in sale to the dominion and management of such low, poor, worthless creatures? If by plundering and oppressing the people, the benefit of the Company is held in view; such a procedure is not only unjust, but is, at the same time, attended with very considerable disadvantage; for example, the total amount of the Jumma-bundy of this system of Mootabsazy (delivering the land to the Mootahdars) is scarcely equivalent to half of the collection made by Colonel Read:—thus, how is it possible for any one to conceive it an advantage? Moreover the poverty and discontent of the Ryots, a circumstance highly detrimental to the interests of the Company, is increased: for instance, the rents collected yearly

in Colonel Read's time on the lands that were watered from the large lake, near the village of Kistnagherry, amounted to seven hundred Star Pagodas; and now, by the Jummabhundy of the Mootahdars, they are fixed at 250 Pagodas only; in like manner a loss is sustained on every other article of revenue or taxation through the whole province; either the Circar should reap advantage from the distress of the inhabitants, or the inhabitants should gain by the loss sustained by the Circar in the deficiency of the collections. In short, the system of Mootahsazy is not only the fountain of detriment to the state, but of unavoidable ruin to the community.

"7th. Such is the conduct, and such are the measures adopted by these tyrannical Mootahdars, that you would say a fresh race of refractory Polygars had sprung up, and become established in the centre of the Company's dominions. If by chance, at any future period, in the hopes of raising an insurrection, arrogating to themselves their noble origin, they should be able to collect together a number of vagrant predatory people, by infesting the roads, and committing murders, they will cause the destruction of the inhabitants, and prove a thorn in the feet of travellers; nor will they neglect any opportunity of entering into leagues with the enemies of this permanent empire.

"In the territories also of the Polygars of Coongunny, Solegurry, Angusgurry, and especially Baglore, the extent of the misery and sufferance of the

people, is of that nature that it cannot be contained in the vase of representation.

“ To sum up the whole ; owing to the oppression of the Mootahdars alone, the Ryots and people of every class and description, having cast their effects to the wind, and lost their reputation, have arrived at this state of despair and disaffection ; moreover they firmly believe, that, should at any time (may God forbid it) an invasion of the Company's territories take place, it would be a most fortunate event, and the means of their acquiring an asylum and protection.

“ The writer of these sheets (who is alone actuated by attachment, good-will, and fidelity) is Meer Gholaum Alley, Meer-iyum, who, during the reign of the deceased Tippoo Sultaun, was honoured by employment, and near attendance on the presence, and exalted by being nominated to the situation of Meer-i-yumey, that is, to the agency, superintendence, and controul of the naval stores at the different sea-ports and islands ; of the mercantile warehouses, &c. ; as also of all public stores and appurtenances requisite for war, or for the commerce of the country, subject to the deceased monarch ; and who, prior to having been thus brought up and instructed in the royal presence, had been ordered by the deceased king to accompany some select and chosen Sirdars, who went in the year of Christ, 1788, on an embassy to France, to learn the language of that nation, and acquire general information, agreeably to the orders of His Majesty,

having gone to France, and been introduced to the French King, his brothers, relations, and nobles, the different ambassadors and officers of state, having made every inquiry into the state of affairs, and acquired a perfect knowledge of the French language, I was again made happy by a return to the presence of my benefactor. In the year of the Hegira, 1210 (A. D. 1795) being a second time appointed to an embassy from Tippoo Sultaun to the King of France, proceeded as far as Mangalore, where he received from the deceased Sultaun an exoneration from this duty, and an order to resume the administration of the duties of my former employment. After the death of the Sultaun, the commiserated, and the taking of his capital and dominions by the victorious generals in the employment of the Company Bahaudar, fourteen Star Pagodas and nine Annahs being granted to me by these gentlemen for my monthly subsistence, I chose the town of Kistnagherry for my place of residence, there to receive the pension granted to me by the British Government.

“To conclude, having made myself acquainted with the nature of the affairs of the Ryots, and the different occurrences in the district of the Bara Mahl, influenced by a sense of loyalty and devotion to the State, which is at all times painted on the page of my mind, I was emboldened thus to give some account of what has of late transpired. Besides what I have now mentioned, there are also many other circumstances worthy of being made



known, of which your well-wisher is acquainted; and which, immediately he may receive intimation so to do, he will hasten to represent to the presence abounding in glory. Whatever may be the wish of that virtue which adorns the world, and the mandate of exalted dignity, it shall be obeyed.

“May the sun of empire, and undiminished prosperity, remain, by the Grace of God, clear and resplendent.

“Should there appear to exist in the titles, or in the required offerings of respect and regard, any error or deficiency, I remain hopeful of forgiveness.

“Written on the 4th of the month of Mohur-
rum ul Herram (or 14th March, 1807, it
appears by my inquiry.)

“The petition of the well-wisher,

“*Meer Gholaum Ally Meeriyum.*”

Though this letter is addressed to the Governor in Council of Madras, I cannot say whether it is upon the public records of that Presidency. I know, however, it was sent by a member of that Government to the late Governor of Bombay, Mr. Duncan, by whom it was given to me, with permission to make any public use of it I might think proper.

But in various other reports on the Zemindary

Settlement *, some of which are printed, and now before the House, it is distinctly admitted by many of the most eminent practical servants of the Company, who have witnessed its operation and effects, that the Zemindars or Mootahdars were no better than contractors or farmers of the public revenue—that the prosperity of India, and condition of the Ryots, were not likely to be improved under it—that it was ill adapted to the circumstances of the country—that because the Land-Tax could not be increased after the settlement, the rate was fixed too high at first—that in order to raise the revenue for Government, the Mootahdars were authorized to exact the former high rents from the Ryots, thereby keeping them as poor as ever—that it armed the Mootahdar with the means of oppressing the Ryots, from which our courts and officers could not effectually protect them—that whilst it dissatisfied and prolonged the poverty of the lower classes, it gave the Zemindars a power to disturb the public tranquillity—and that, on the whole, the system was injurious to the subject, and dangerous to Government.

The fact is, that the change was too sudden and too great an innovation on the settled circumstances of society. Benefits were attempted to be suddenly produced by the magic of political contri-

* Vide Appendix, 5th Report, *passim*, and particularly pages 942, 3, 4. Also Col. Wilks's work on the South of India.

vance ; and instead of founding prosperity, on gradual improvement of the Ryots' condition, instead of restoring them by degrees to the rank of their forefathers as landholders, for they were the original proprietors of the soil, the regulations created a class of men with a totally new character, which could not easily find its proper level in society, and served only to disturb and confound established relations, and to invade the acknowledged rights of the cultivators. The consequence is, that in thus preferring a hasty attempt at immediate and therefore unattainable advantages to the gradual progress of improvement, the benevolent intentions of the great and noble author of this system have been, as far as I can judge from observation and inquiry, completely frustrated.

I must also observe, that this system, in its operation and effects, has departed from the object and intentions of the Honourable Court of Directors, in whose orders of the 12th April, 1786, for the establishment of the permanent Settlement of the Indian Revenue, the Supreme Government is instructed “not to introduce any novel system, or
“to destroy those rules or maxims of policy, which
“prevailed in well-regulated periods, of the *native*
“*governments*. A moderate Jumma or assessment,
“regularly and punctually collected, unites the
“consideration of our interest with the happiness
“of the natives, and security of the landholders,
“more rationally than any imperfect collection of
“an exaggerated Jumma, to be enforced with se-

“ verity and vexation”—adding a further injunction, “ that it might be ascertained what were the
“ rights and privileges of the Zemindars, and other
“ landholders, under the institutions of the Mogul
“ or Hindoo Governments.”

From the preceding detail, however, and from the whole tenor of the Fifth Report, I would beg leave to submit to the wisdom and consideration of this House, whether the object of these just and wise orders, either in adherence to ancient rules and maxims of policy, in moderation of Jumma, and attention to the happiness of the people, or in a due regard to their rights, has been, or is likely to be accomplished, under the Zemindary Settlement, in Bengal, or the Mootahdary system, introduced on the same principle, under the government of Madras.

Indeed it is but justice to say, that the purely political letters of the Court display ability and knowledge in the science of Government, and a liberality of principle, from which it is impossible to infer but that the prosperity of India would be materially advanced, if the Directors would confine themselves to the exercise of their political functions. It is only *where commerce is mixed with their politics* that the spirit of monopoly is displayed in their correspondence—but here the same justice compels me to add, that their sovereign interests are but too frequently sacrificed to views of commercial emolument.

The inefficiency of these systems further appears from the circumstance, that they have conciliated no



class of the native community; all ranks, we are informed, conceive that the intention of Government was to destroy the power of the great Zemindars of the country, whilst the Ryots feel themselves in no respects better off than they were before: it is also certified to us on record, that the lower classes, so far from having any attachment to Government, are ready to join almost any standard to oppose it. *Revenue, Revenue*, is the constant and universal want of Government; and so strong is this impression on the minds of the people, that few can believe new regulations or changes to be really intended for the public good, or meant to promote any other object than that of increasing the pecuniary resources of the state*.

It is urged in behalf of the Zemindary Settlement, that every estate has waste lands attached to it, and that when these are cultivated, the tax, being fixed, will bear but a small proportion to the amount of produce. But in this argument it is forgotten, that there must be an increased demand for that produce, before any augmentation of the ordinary stock can be rendered valuable. And how, let me ask, is this demand to arise among a people of beggars? The fact is, that the lands so annexed have been extensively cultivated. The climate, soil, and institutions of India, are peculiarly favourable to population; but as numbers increase, the country, from its uni-

* See Sir Henry Strachey's Letter in 5th Report, pages 525 to 543.



versal poverty, affording little or no means of employment in commerce or manufactures, these people can only support themselves and their families by tillage, and where lands can be had fit for cultivation, without much labour, stock, or capital, they are soon appropriated by an increasing population; and the extent of this description of land forms, in such case, the only limit to the number of inhabitants.

But what is the natural consequence? Human labour in agriculture, as in every other species of manufacture, yields a considerable surplus. The demand for this surplus being once supplied, every further addition only tends to diminish the value of the general stock. A Zemindar's waste lands may thus be cultivated to the fullest extent, and yet the exchangeable value of the surplus produce not be proportionally increased. By surplus I mean all that portion of produce, which the Ryot does not reserve for his own consumption and for seed, and which may be considered as for sale in the market, to enable him to pay his tax to Government, and the Zemindar's rent. If only the quantity, not the exchangeable value, of the whole be increased, owing to a stationary demand; and the unvarying poverty of the inhabitants, the larger quantity will yield to the proprietor in amount, at a reduced price, the same return as the smaller quantity did before, and neither party concerned in the produce will be benefited by the increase: however obvious this is as a general principle, it may be

more evident from recurrence to events ; and the experience of Bengal leads directly to the establishment of this truth. With an increased but poor population, and consequently extended cultivation, it is proved by official Reports on its Commerce (before the House) " that the price of rice, and of every " other kind of food used by the Natives, so far from " being enhanced, has been considerably lower on " the average of the last ten years, than during any " preceding period since the Company came into " possession of the Dewannee *."

From these causes two evils proceed. The price of food is so low, as to reduce both the value and the rent of landed property ; and a superabundant population, coupled with the low price of provisions, keeps down the wages of labour to about *3d. per diem*.

This is the state of the people in many parts of Bengal, and this must be the case wherever the Zemindary Settlement is introduced, or the tax of half produce is levied, without such an effectual change in the commercial relations of the country as I am about to recommend. We are told in the evidence before the House, that the people of India are poor, because the price of labour is low, and because food is cheap ; but the cause is mistaken for the effect. Food and labour are below their natural value, because the people are poor, and

* See Report on the External Commerce of Bengal, dated 10th Sept. 1800, in the Papers ordered by the House of Commons to be printed.

numerous, and want proper employment; hence a boasted increasing population, far from adding to the stock of national wealth, only serves to fill up the measure of human wretchedness and distress.

Hence also the increase of crimes and immorality noticed in some of the ablest papers attached to the 5th Report, and particularly of Decoity, the great scourge of our fairest provinces. The hordes of gang robbers, known in India under the name of Decoits, are recruited from an unemployed people; their acts of violence and cruelty are not only most frequent, but of the blackest dye; "the common mission of robberies, murders, and the most atrocious cruelties, in a word an aggregate of the most atrocious crimes," are mentioned by the Governor General in Council, in his letter to the Court of Directors, dated 29th May, 1810, as established beyond a question by a multiplicity of proofs; and it is added, "Nor let it be supposed that these offences were of rare occurrence, or confined to particular districts, they were committed with few exceptions, and with slight modifications of atrocity in every part of Bengal *."

These depredators set at defiance (and will necessarily continue to do so, in the present state of things) every effort of Government to suppress or restrain them. Police regulations may be multiplied, and each be more plausible than the other in promised efficiency; but it is a case, which I ap-

* See 5th Report, page 72.

prehend to be beyond the reach of remedy, by any restrictive law. The evil is inseparable from the present organization of society; a case, in fact, where additional legal severities only add to the cruelty and ferocity of those, whose necessities impel them to prey on the public. Mitigate, on the contrary, the rigour of your existing civil institutions; open wide the gates of honest industry; revive in the breast of a desponding people hopes, long unknown to them, of protection in gathering, and security in enjoying, the fruits of labour; and instead of absorbing the wealth of the country in an inordinate land-tax, let it circulate through the numerous channels of an extensive population, to create new demands for the employment of the Native, and the encouragement of trade, foreign and internal, then, but I fear not till then, may we put an end to the outrages of the Decoit.

These, Sir, are the defects of the Zemindary and Mootahdary Settlements. The condition of the Ryot, indeed under all the revenue systems lately adopted in India, is nearly the same, and from the same cause of excessive taxation, as under the former regime, except in some few districts, where, through the humanity, and I may add, wisdom of the European Collectors, the rates of the Land Tax have been somewhat reduced.

It is with pleasure I add, that many instances have occurred in India, where, in spite of the heavy pressure of the land-tax, moderation and for-



bearance on the part of Collectors, have called forth the gratitude and esteem of the Natives. It would have been well for India, had the natural wishes and dispositions of these humane persons been allowed a wider range; but, unfortunately, the thirst after revenue has ever been insatiable, and must, of necessity, be supplied. In this respect, it is important to consider the printed accounts presented to both Houses of Parliament and to the public, which represent the increasing prosperity of India in general, and also of particular districts. In most, if not all, increase of revenue is adduced as the main proof; and even the best and the most considerate of our Collectors are constantly obliged to refer to this test, well knowing it to be the most acceptable and impressive evidence of their own merits. But if we compare the alleged increase of revenue with the sources from whence it is drawn, we shall not so hastily admit their conclusion. In as far as it is a share of the improved or extended cultivation, it may prove an increase in the numbers, though not in the wealth, of the people; or that the forbearing conduct of a Collector has encouraged fresh cultivation, although a lion's portion still goes into the coffers of the state; or, it may prove, that his vigilance and activity have detected lands, which, from fraud or ignorance, were not before subjected to the tax; but in neither of these points of view is it, with respect to India, a proof of that increased prosperity, which in other countries augments the

public revenue, through the very different medium of the consumption, and expenditure of the opulent classes of society.

There is a very remarkable instance in the papers now before the House, of the revenues of an Indian district, being increased in eight years from 10 to 18 lacs of Star Pagodas. This is principally to be ascribed to the discernment and vigilance of a distinguished Collector, and was chiefly accomplished by his reducing the Government demand or land-tax, from 45 or 50 to about 33 or 34 per cent. of the gross produce; and though this district will doubtless admit of a very favourable comparison with almost any other in the same country, it must still be recollected, that this tax followed every improvement or extension of its cultivation, and that a direct participation by Government, to this extent, in the profits of agricultural industry, is still too high for the promotion of general prosperity*.

This example, however, shows what may be effected by a reduction of the present rate of the land-tax; but until such a reduction takes place generally, I humbly ask, whether any rational hope is presented to us, of increased prosperity in India? In the present state of things, I firmly believe there is none, and as such, I trust the condition of this interesting people, and the institutions by which they are governed, will be found to deserve the attention of Parliament.

* See 5th Report, page 155, 156.

If I have enlarged on this topic, it is with a view to excite some attention to it, as a separate and distinct object of consideration; as one, indeed, to which we are summoned, by the sacred calls of justice, as well as by the more interested views of commercial policy.

On the general contest of parties which has of late been displayed in this metropolis, all eager to partake of, or to appropriate, the benefits of an intercourse with India, shall we, Sir, forget the inhabitants of the country itself? Every other party in this great cause has its advocates, and the ablest advocates, to assert their respective claims; but in behalf of the poor neglected Indian, how few have yet been found to raise their voice? And if I step forward to assert a cause which others are indisposed to undertake, I do it, in confidence that a British House of Commons will, at least, receive the appeal with indulgence; and that however unequal my humble efforts may be to the arduous task, they will not be allowed to diminish the interest which the case itself is so naturally calculated to excite, and which calls so loudly upon the humanity and justice of the country.

But to descend from these higher and most serious considerations to those of less real interest and more limited operation in the Resolutions now before the Committee, I must also add, that it is for these reasons I chiefly regret they should contain so many restraints on private trade. A perfectly free trade to and from India would still do much; the capital that would

be drawn thither; the expenditure and increased industry which would accompany its circulation; the consequent effectual demand for the products of the country; a far more liberal encouragement than now exists to export its raw materials to this country to advantage, would enhance the value of Indian estates, and insure the cultivation of the wastes, by opening new channels for the disposal of their produce: these, Sir, are the advantages which I should anticipate from the natural course of commercial freedom; and I fear there is no prospect of any palliation of the evils I have described, till the trade be rendered perfectly free; till the East India Company withdraw from a course, which nothing but antiquated prejudices could make them think profitable; which is, in fact, attended with ruinous losses to themselves; and which distracts their attention and views from the greater objects, it is now their duty, as much as it is their interest to pursue.

If they persevere in the trade, it is no reproach to the individuals who conduct it to say, that the benefits anticipated never can be realized, for the bar to their attainment lies in the system itself. Every merchant is a monopolist at heart; but when every merchant is on an equal footing, the same principle pervading every breast neutralizes by its natural operation the prejudicial influence of a love of gain, and produces through the mass of society common benefits. But when a merchant is raised by exclusive power above his equals, that power

is sure to be abused; it cannot, in the nature of things, be otherwise; and this, as far as my experience goes, has invariably been the consequence of the Company's interference in the trade of India. Where the market is exclusively in their own hands, prices are arbitrarily kept down, to the prejudice of production. Where the market is open, their agents enter it as competitors, who must, at all events, be served, and prices are raised, to the prejudice of consumption. Articles of raw produce in India, have, by this unequal competition, been doubled in their prime cost, at which rate they cannot profitably be imported into England, though it can be shown they would be at the natural price of the commodity *.

I therefore repeat it, Sir, it is only by a free and unshackled trade, that India can now be materially benefited. The demands of such a trade would give a value to the produce of estates, which, in my humble opinion, it cannot otherwise acquire. Cultivation would then be extended, as an object of gain, not merely for the purpose of supplying bare subsistence to a poor and miserable population; the exchangeable value of produce would be raised by a new and effectual demand, instead of sinking by greater additions to an over abundant supply; and the advantages anticipated from the annexation of waste lands to every Zemindary would then be felt; for then the present overwhelming land-tax

* See Appendix to Second Speech.



would be diminished in its pressure and amount, in proportion to the increased value of the gross produce from every estate.

Much more, Sir, than the imperfect statements I have brought forward might be urged, were this the time to enlarge on so fruitful a theme; but I feel that I have too long trespassed on the indulgence of the Committee, and shall therefore only concisely submit to their consideration the state of this interesting people in one other point. I have already explained how the established customs of these people, as to early marriages, and the ease with which they procure food, favour the increase of population: as matters now stand in India, all the deplorable evils of redundancy are absolutely inevitable; I would therefore humbly entreat the attention of the Committee to this view of the question, as constituting another urgent claim on the philanthropy, which distinguishes this enlightened age, and characterizes many of the public acts of the British Government. Let us calmly weigh the domestic customs which admit of no change, and which are of too tender and consolatory a nature even to justify our regrets; let us weigh these, Sir, with the political institutions and restraints I have described, and perhaps the conviction of my own mind may be impressed on every friend of humanity, that for the dire evil of redundant population, which is a pregnant source of mischiefs and wretchedness to our Indian subjects, there is no remedy nor palliation, but in the multi-

plied demands and various employments which perfectly free trade would create.

I would wish to consider the resolutions before us as one step towards the attainment of these benefits; they open a fresh prospect to our view, and as such are entitled to our support. But the continuance of the Company's trade for twenty years longer, appears to me an insurmountable obstruction to the improvement which I anticipate. There may be other serious objections to so long a period; but this is among the weightiest, and I should therefore hope that this part of the resolutions may yet be modified.

I express this wish the more fervently, in order that the Natives of India may not feel (as they otherwise would, though in silence) that their interests, which ought to have been a primary consideration, have been totally neglected. Their sagacity will lead them attentively to watch our present proceedings; and let us beware that we give them no just cause for reproach. Let them know that they have been thought of on this great occasion; and when they perceive the justice of our legislation, in its effects rather than in professions and proclamations, which they have learned to disregard from seeing them rarely fulfilled, we may then look with confidence to their fidelity, attachment, and gratitude.

As to what is said of the India trade being incapable of increase, the assertion is completely re-



futed by the Reports* of Indian commerce. It has increased, and very considerably too, since the admission into it of the American and British private traders. The fact is fully proved, and it is a fair inference, that further freedom would occasion a still further extension of commercial intercourse, and its consequent advantages.

The other position, generally coupled with the preceding, that the wants of the native Indians are fixed and unchangeable, is much of the same stamp; but the antiquated prejudice, which asserts or believes it, is in my opinion more absurd than the Hindoo prejudices themselves, which it is meant to expose. Why search for doubtful causes, when there are obvious ones before us, for the continuance of which ourselves are answerable, and which it only rests with a British legislature to remove? What we conceive to be fixed or stationary in their habits and wants, may be more strictly ascribed to the despotism of their Governors, and their own confirmed poverty; these are causes which would produce the same effects in every other people.

Need I appeal to the modern state of the finest countries in Europe and Africa, as well as in Asia? or to disorders nearer the seat of British refinement, in a Sister Kingdom? Facility of procuring food, such as the wretched Peasantry are obliged to content themselves with, increases numbers faster

* See Reports on External Commerce in India, ordered by the House of Commons to be printed, 30th April, 1812.

than the means of honest and profitable employment; thus in Ireland, as in India, a redundant population endures the complicated evils of want, ignorance, and depravity.

Adherence to native customs, and obstinacy in superstition, which are said to elude the hand of innovation, and to defy the spirit of improvement, are not exclusively peculiar, if in a more than ordinary degree imputable, to the Hindoo character; less obscure causes, whose agency is obtrusively discernible, in arbitrary civil institutions and oppressive fiscal regulations, produce inveteracy of habit, and languid indifference, or settled aversion to change and improvements, in India, just as the same tremendous causes have operated the moral and intellectual debasement of Egypt, Palestine, and Greece: it is the common fate of all countries under Mahomedan subjugation.

In speaking of the Hindoos, particularly in this country, something mysterious is always fancied to belong to them, as if they were not composed of flesh and blood, nor had passions and desires, as the rest of the human species. Now, Sir, of all the Indians I have ever seen, none were deficient in the ordinary sensibilities of our nature, none indisposed to the enjoyments and comforts of life, when they had but the means of obtaining them. Their wants might not be precisely the same as those of Europeans; but if their circumstances allowed it, they would have new wants, which European capital, skill, and industry could best supply; and the various produc-

tions now raised, or capable of being raised, in their own country, which they would have to interchange with us, would afford means and commodities for trade, which, if free, might be carried to an indefinite extent, with incalculable advantage to Britain as well as to India.

But, Sir, it is only the most complete freedom of trade, that can now effectually promote the prosperity of our Asiatic possessions, or that will ever enable us to apply a corrective to those evils in our revenue institutions, which, by a premature decision, we have decreed to be perpetual.

It was my intention to have added a few remarks on the subject of the Company's accounts, lately brought before Parliament and the public; but I feel that I have already too long trespassed on the time of the Committee, to enter into further details at present. It is, however, of great importance, as well to the Company's own interests, as to the public, that these accounts should be clearly and distinctly understood; and I shall therefore claim your indulgence to offer my opinion on them on a future night; because, if my view of their result be correct, it will afford another strong ground of objection to the extension of the Company's privileges, for so long a period as is proposed. Reserving, therefore, what I have to add on this head, I shall only trouble the Committee with one more short remark.

Misrepresentation of the motives of public conduct is no new occurrence; and with the conscious-



ness of uprightness which I feel within my own breast, any thing that may be said of my motives, on this occasion, will certainly give me no uneasiness.

I could wish it only to be remembered, that the sentiments I have expressed, are neither new, nor adopted for the present occasion, nor dictated by hostility towards the East India Company. Those who know me will bear witness, that they have been the firm and constant impressions of my mind, ever since I was able to make satisfactory inquiry, and procure authentic information, on the subject, as the public records of the East India Company will also attest. Nothing but a sincere conviction of their truth, and an ardent hope of their resulting, sooner or later, in some degree of public good, could have induced me to submit them to the judgment of this Honourable House.

Before I sit down, I must apologize, Sir, for introducing any thing relating to myself. I have only offered this short explanation, lest misrepresentation, by ascribing motives to my arguments and opinions, which have never influenced them, might thereby injure a cause which I have it so much at heart to promote.

APPENDIX I



APPENDIX I.

THE condition of the husbandman or RYOT of INDIA, and the system of taxation, which spreads want and misery through regions abounding with the richest productions of nature, appear to be imperfectly known, or little considered, even in the metropolis of the British Empire; or they would, sooner, have awakened the active feelings of philanthropy, which so eminently distinguish our age and country; the interference of which, it is presumed, cannot be less meritorious, nor, it is hoped, less efficacious, than in the great cause, which, after many years conflict between natural justice and commercial policy, at last prevailed, in securing the African from captivity and the scourge.

The dejected sons of Asia might prefer even stronger claims on our sense of national honour and humanity, since they have long been under the immediate guardianship of the British constitution, whose glory it is, impartially to watch over all its subjects and dependents, without regarding the quality of the person, or the distance of his abode.

The consideration due to the natives of India was urged on the notice of Parliament, at the epoch of prolonging the Trading Privileges of the East India Company for a further period of twenty years; and although a disclosure of the defects and abuses in our revenue institutions was received with all the attention, which its relevancy to the commercial points, then under discussion, permitted to expect, yet of necessity the explanatory details, which form the Appendices of the Speeches, could not be introduced in a debate. The reader will here find, that the author's observations on the principles of Indian Finance, and his animadversions on the evils which it encourages, are justified by official and authentic documents, and supported by the concurrent testimonies of men, whose opinions, like his own, are the result of personal observation and experience in the country, whose cause is now brought to the bar of British justice.

It will grieve him, if any pious Christian take offence at his



manner of expressing himself, on the important subject of communicating the light of the Gospel to minds hitherto held impervious to its rays. His observations are all precautionary, intended to relieve our holy religion from the shame of practices unworthy of its divine origin, and to avert miscarriage, disappointment, and regret, from its most benevolent professors.

Although to implicate in the errors of our Indian Government the sacred character of our faith, may be thought unjust or invidious, the association is inseparable in the minds of those, who impute their misery to our avarice and ambition. The foreign Sovereigns and the foreign Missionaries, both coming from the same country, will be equally objects of distrust and jealousy to a timid people, unless the practice of Christianity, in deeds of mercy and charity by the one, precede, accompany, and exemplify the preaching of the other. Let us only well consider the relation in which we stand towards the natives of India. If our arm of power is no longer dipped in blood, every sinew is strained in the exactions of revenue; but terror, and dismay, whether excited by the sword, the tax-gatherer, or monopoly, are alike inimical to conviction, which, to reach the heart, should be the result of free enquiry, undisturbed consideration, and calm reflection; and these it is vain to look for in a state of degradation and oppression. What confidence can the Hindoo have in our warmest zeal for his spiritual welfare, if all his temporal interests are made subservient to our lust of wealth? He will entertain no flattering idea of our sincerity, if we offer only our religion, in return for the possession of his worldly goods, and the subversion of his natural rights.

Is it not then fair to ask, and reasonable to expect, that the genuine spirit of Christianity should operate on the rulers of India, to abate the rigour of Mahomedan taxation as readily as they would disclaim, for themselves and their servants, the adoption of any Mahomedan imposture, or Hindoo superstition? that a religion of good-will towards all mankind should induce them, in mercy, to lower the contributions of the Indian husbandman to a level with the rates of other agricultural countries?

Until this be done; until there be a general amelioration of the Ryot's condition, it is apprehended, that when the book, which contains the life and doctrines of the blessed Jesus, shall be spread before a votary of Brama, with none but the mildest persuasives for him to peruse it patiently and deliberately, he will have a



right to tell us, who call ourselves Christians, that "our practice
" is systematically at variance with the merciful religion we invite
" him to embrace. That half a century's experience of our
" government in Bengal, and much longer acquaintance with our
" commerce there and in the Peninsula, have given too few exam-
" ples of the Christian virtues for us to expect, that the simple
" Indian will change the belief of his ancestors for that of
" European masters—and might he not be allowed to complain,
" that judging of the tree by its fruits, to himself and his whole
" race it is full of bitterness?"

It has been said by a distinguished Prelate of the Church of England *, that "Truth is most easily discerned in those rea-
" sonings and opinions, which tend to practice; because the ab-
" surdity and inconvenience of them is sooner discovered."

Like the Rechabites of old, who merited a blessing from a prophet †, the Bramins tenaciously observe the sober customs of their fathers: like the disobedient Israelites, who were admonished by this example of conformity, we might be reproached with neglect of the public ordinances of our Church as to divine worship, with profanation of the Sabbath, and too common intemperance. In these instances of practical obedience, the Missionary from an European Settlement, would be confounded by being told, "Cast out the beam out of thine own eye, and then
" shalt thou see clearly to cast out the mote out of thy brother's
" eye."

But if European manners excite in the natives of India no disposition to receive the articles of our belief, much more discouraging to every true Christian will be the reflection, that their hearts are completely estranged, and their disposition for religious instruction opposed, by feelings of distress, resentment, and disgust, under merciless demands of revenue; the heaviest burthen which the Moguls, in the wantonness of conquest, ever imposed on this submissive people, having been declared to be fixed unalterably for ever, by the Christian successors of Timour and Aurangzebe.

Evangelical preaching from the most hallowed lips, will make little impression on the minds of the Hindoos, so long as the influence of Christianity produces, on the part of its professors, no abatement of a system borrowed from the disciples of

* Tillotson's Sermon, 180, concerning the perfections of God.

† Jeremiah, chap. xxxv.



Mahomet. Islamism itself will hardly present a more forbidding aspect to the victims of injustice, who see *half the produce* of their fields swept away from their use, by Christian hands, with as little remorse as by the sanguinary Mussulmans*.

The Fifth Report of the Select Committee of the Honourable House of Commons on the Affairs of the East India Company, contains the following among other interesting information as to the origin of our Revenue institutions, and the rates of taxation in India, the oppressive influence of which baffles every effort at improvement, civil or religious.

"As it was the opinion of some intelligent servants of the Company, that it would, in the approaching settlement†, be more advisable to resort to *the institutions and rules of the old government, with which the natives were acquainted*, than to proceed upon principles and rules, in the administration of justice and revenue, derived from a state of society, to which they were entire strangers; your Committee will proceed to explain the scheme of internal policy, in the management of the Land Revenue, to which it was contended, by the persons above alluded to, the *preference should be given*."

"In the extensive plains of India, a large proportion, estimated in the Company's provinces at one-third by Lord Cornwallis, at one-half by others, and by some at two-thirds, of land capable of cultivation lies waste, and probably was never otherwise. It became, therefore, of importance to the native governments, whose principal financial resources was the Land Revenue, to provide, that as the population and cultivation should increase, the state might derive its proportion of advantage from this progressive augmentation. Whatever might be the motive of its introduction, the rule for fixing the Government share of the

* It is related by Robertson, in his History of America, (Book III.) that a Canique of Hispaniola, who had opposed the Spaniards in their first invasion of his country, was taken and condemned to be burnt; and when he was fastened to the stake, a Franciscan Friar, labouring to convert him, promised immediate admittance into the joys of Heaven, if he would embrace the Christian Faith. After some pause, he says, "Are there any Spaniards in that region of bliss which you describe?"—"Yes," replied the Monk, "but only such as are worthy and good."—"The best of them," replied the indignant Canique, "have neither worth nor goodness. I will not go to a place where I may meet one of that accursed race."

† On the arrival in India of Lord Cornwallis, anno 1786. Vide 5th Report, Page-15.



crop had this tendency. This rule is traceable, as a general principle, through every part of the empire, which has yet come under the British dominion, and undoubtedly had its origin in times anterior* to the entry of the Mahommedans into India. By this rule the produce of the land, whether taken in kind, or estimated in money, was understood to be shared in distinct proportions between the cultivator and the Government. The shares varied when the land was recently cleared, and required extraordinary labour; but when it was fully settled and productive, *the cultivator had about two-fifths*†, and the Government the remainder. The Government share was again divided with the ZEMINDAR and the village officers, in such proportion, that the Zemindar retained no more than about *one-tenth* of this share, or little more than three-fiftieth parts of the whole; but, in instances of meritorious conduct, the deficiency was made up to him by special grants of land, denominated Nauncaur, or subsistence; the small portions which remained were divided between the Mokuddim, or head cultivator of the village, who was supposed instrumental in originally settling the village, or derived his right by inheritance, or by purchase, from that transaction, and who had still the charge of promoting and directing its cultivation—the Fausbaun or Gorayat, whose duty it was to guard the crop, and the Putwarry or village accountant, perhaps the only inhabitant who could write, and on whom the cultivators relied for an adjustment of their demands and payments to be made on account of their rents—besides these persons, who from the Zemindars downwards, can be regarded in no other light than as *servants of the Government*, provision was made either by an allotted share of the produce, or by a special grant of land, for the CANONGOE or confidential agent of the Government, whose name implies that he was the depositary and promulgator of the established regulations, and whose office was intended as a check on the conduct in financial transactions of all the rest."

* This observation, if meant to be applied to the rates of the division, is successfully controverted by Colonel Wilks in his fifth chapter, and many of his arguments will be found in the sequel of this Appendix.—See *Historical Sketches of the Mysoor*.

† See page 66 of this Appendix, a deduction under the name of Sotandrum, at the rate of 12½ per cent. is made before the division between Government and the Ryot, the remainder is then allotted in equal portions to each.



“ Under the superintendence of this officer, or one of his Gomastahs or appointed agents, were placed a certain number of adjacent villages, the accounts of which, as kept by the Putwarries, were constantly open to his inspection, and the transactions in which, with regard to the occupancy of the land, and the distinction of boundaries, came regularly under his cognizance, in a form that enabled him, at any time when called upon, to report to the Government the quantity of land in cultivation, the nature of the produce, the amount of rent paid, and generally the disposal of the produce, agreeably to the shares allotted by the rules, as above explained. To his office moreover reference might be had, to determine contested boundaries, the use of rivers or reservoirs for irrigation, and generally in all disputes concerning permanent property or local usage, within the limits of his official range.”

The following Extract from *Historical Sketches of the Mysoor*, by Colonel Wilks, may serve to give a more complete idea of the organization of society in India, and to place the situation of the natives in a more interesting point of view, from its resemblance to primeval simplicity.

“ Every Indian * village is, and appears always to have been in fact, a separate community or republic, and exhibits a living picture of that state of things which theorists have imagined in the earlier stages of civilization, when men have assembled in communities, for the purpose of reciprocally administering to each others wants. 1. The Goud, Potal, Muccuddim, or Mundil (as he is named in different languages) is the judge and magistrate. 2. The Curnum, Shamboag, or Putwaree, is the register. 3. The Paliary or Schulwar: and, 4. The Potee, are severally the watchmen of the village and of the crops. 5. The Neerguntee distributes the water of the streams or reservoirs in just proportion to the several fields. 6. The Jotishee or Joshee, or astrologer, performs the essential service of announcing the seasons of seed time and harvest, and the imaginary benefit of unfolding the lucky or unlucky days, and hours, for all the operations of farming: 7th the smith, and 8th carpenter, frame the rude instruments of husbandry, and the ruder dwelling of the farmer. 9. The potter fabricates the only utensils of the village. 10. The

* Wilks's *South of India*, page 117.



washerman keeps clean the few garments which are spun, and sometimes woven, in the family of the farmer, or purchased at the nearest market. 11. The barber contributes to the cleanliness, and assists in the toilet of the villagers. 12. The silver-smith, marking the approach of luxury, manufactures the simple ornaments with which they delight to bedeck their wives and their daughters; and these twelve officers (Barra lullowuttee or Ayangada) or requisite members of the community, receive the compensation of their labour, either in allotments of land from the corporate stock, or in fees, consisting of fixed proportions of the crop of every farmer in the village. In some instances the lands of a village are cultivated in common, and the crop divided in the proportions of the labour contributed, but generally each occupant tills his own field; the waste land is a common pasture for the cattle of the village; its external boundaries are as carefully marked as those of the richest field, and they are maintained as a common right of the village, or rather township (a term which more correctly describes the thing in our contemplation) to the exclusion of others, with as much jealousy and rancour as the frontiers of the most potent kingdoms. Such are the primitive component parts of all the kingdoms of India. Their technical combination to compose districts, provinces, or principalities, of from ten to a hundred thousand villages, has been infinitely diversified, at different periods, by the wisdom or caprice of the chief ruler, or by the vigour and resistance of those who, in every age, country, and condition, have coveted independence for themselves, and the power to govern the greatest possible number of their fellow-creatures. Menu's arrangement places a lord over one town with its district (which is precisely the township above described); a lord of ten, of twenty, of a hundred, and of a thousand, in a scale of regular subordination, reporting and receiving commands successively from the next in gradation, and fixes with precision the salaries and perquisites of each: his scheme of government recognizes none of those persons who in these days are known by the several designations of Wadeyars, Poligars, Zemindars, Deshayes, &c. (all in their respective jurisdictions) assuming when they dare the title of Raja or King; all officers enumerated by Menu have, in their several scales, at different periods, simply acted as agents of the sovereign; as farmers of revenue contracting with the sovereign for a certain sum, and levying what they can as par-



tisans or chiefs of troops; receiving an assignment on revenues, managed by another or the direct management themselves, for the purpose of defraying the pay of the troops."

"In these several capacities they may have continued obedient to the sovereign who deputed them, they may have obtained from his favour, or from his fears, a remission of part of the sum to be accounted for, they may have rebelled and usurped the whole government, or have established a small independant principality, or a larger: but with regard to the villages or townships, of which the principality is composed, they have appeared but in one character; viz. the government, the sovereign: a person exercising sovereign authority on his own account, or by delegation, on account of another. The interior constitution and condition of each separate township remains unchanged: no revolutions affect it, no conquest reaches it. It is not intended to assert, that the village in our contemplation may not have produced the Cæsar of his little world: the rights of the inhabitants may have been invaded by the Potail, by the Poligar ruling over twenty, by the Wadeyar ruling over thirty-three, by the collector over two hundred, or by the sovereign of twenty thousand townships, each or either of these persons may have attempted, or have succeeded, or have failed, in persuading or forcing an augmentation of the proportion of money, or of grain, paid by the township to the state; but the conquests, usurpations, or revolutions, considered as such, have absolutely no influence on its condition. The conqueror, or usurper, directly, or through his agents, addresses himself as sovereign or representative of the sovereign to the head of the township; its officers, its boundaries, and the whole frame of its interior management remain unalterably the same*, and it is of importance to remember, that every state in India is a congeries of these little republics."

* Every village, with its twelve *Ajangadees*, as they are called, is a little republic, with the Potail at the head of it; and India is a mass of such republics. The inhabitants, during war, look chiefly to their own Potail. They give themselves no trouble about the breaking-up and division of kingdoms; while the village remains entire, they care not to what power it is transferred; wherever it goes the internal management remains unaltered; the Potail is still the collector and magistrate, and head farmer. From the age of Menu, until this day, the settlements have been made either with or through the Potails. WILKS.



"A certain number of VILLAGES", with a society thus organized, formed a PERGUNNAH; a certain number of those comprehending a tract of country, equal perhaps to a moderate sized English county, was denominated a CHUCKLA; of these a certain number and extent formed a CIRCAR; a few of these formed the last or grand division, styled a SOUBAH, of which, by the Dewanny grant, the British Government had obtained two, the SOUBAH of BENGAL, that of BAHAR, with part of ORISSA."

On the subject of the Havelly Lands of Fort St. George, (Lands of which Government considered itself the proprietor, and having no intermediate occupants or agents, as Zemindars, Polygars, &c. between the Sovereign and the cultivators) the 5th Report, page 117, adds, "Your Committee will first detail the principles of Revenue administration, *progressively adopted* by the Company's government in the latter description of territory, generally distinguished by the name of Circar or Havelly Lands. The interest in the soil was generally found to be divided between Government and the cultivator."

"The established or understood share of the former, from Paddy lands, or wet, designated by the term Nunjah, was generally received in kind, at rates varying from 40 to 60 per cent. † of the gross produce, subject to a deduction of certain proportions distributed among the servants, and appropriated to charitable uses. The Government share of dry grain culture, called Punjab, which was considerably less than in the Nunjah lands, was mostly received in money," &c.

"The demand on the cultivator was, however, by no means confined to the established rates of land-tax or rent; for, besides the Sayer duties and taxes, personal and professional, the Ryot was subject to extraordinary aids, additional assessments, and to the private exactions of the officers of Government, or renters, and their people: so that what was left to the Ryot was little more than what he was *enabled to secure by evasion and concealment.*"

Of the general administration under the Mahommedans, we have it reported by the Select Committee, page 5, that "the information communicated to the Directors by the Supreme Govern-

* 5th Report.

† Vide page 58, and page 65 of this Appendix.

APPENDIX I.

ment in 1772, represented the internal government to be in a state of disorder, and the people suffering great oppression: these evils were imputed to the nature of the former administration."

"The Nazims exacted what they could from the Zemindars, and great farmers of the Revenue, whom they left at liberty to plunder all below, reserving to themselves the prerogative of plundering them in turn, when they were supposed to have enriched themselves with the spoils of the country.—The *whole system* thus resolved itself on the part of the public officers into *habitual extortion and injustice*, which produced on that of the cultivator the natural consequences, *concealment, and evasion*, by which Government was defrauded of a considerable part of its just demands."

"With respect to the administration of justice, the regular course was every where suspended, but every man exercised it who had the power of compelling others to submit to his decisions."

These indeed are but the natural effects of such a land-tax as we are considering, and must inevitably be felt under every administration, which has the injustice to enforce or adopt it.

It is now officially recorded, and before Parliament, that of the produce of lands in India, the CULTIVATOR had about two-fifths only*, and Government the remainder, for the purposes of the State, and to provide for the officers employed under it, to ascertain and collect this revenue, of which nine-tenths appear to be the return thus made to Government, allowing at most one-tenth to the Zemindar, or resident collector, for his trouble. But the most affecting picture of Indian misery is the account of the Havelly Lands of Fort St. George, where, after payment of the established land-tax to Government, which varied from 40 to 60 per cent. of the gross produce, extraordinary public and private exactions, on what was intended to belong to the Ryot, so reduced the residue, as in the emphatic words of the Committee—to leave him little besides what he was enabled to secure by evasion and concealment.

Such were "the institutions and rules of the old Government," to which it was deemed advisable to resort! Such was the state of a vast country, with sixty millions of souls, when a corporation of Christian merchants succeeded to the autho-

* Vide Page 58, also Page 66.



rity of its Mussulman conquerors: and odious as the comparison may be felt, it would be culpable evasion of incontrovertible evidence to deny, that these Mahommedan principles of Finance are the basis, taken by the Honourable Company, for their permanent settlement of the revenues of India.

In Great Britain, where humanity is honoured, and justice made the chief aim of Government, we should consider it a compromise of the national honour, to listen for a moment to suggestions for authorizing or sanctioning, in the conduct of our fellow-countrymen, in any settlement however remote, the immoralities or cruelties of Mahomet and his followers. Degradation of one-half of the human species in the female sex, polygamy, and proselytism by the sword, we condemn with just abhorrence and virtuous indignation; how then, it may be inquired, from the impure fountain, whence these and other enormities have overflowed large portions of the earth, how from the source of imposture and usurpation in the Mahomedans, can we, can Christians, draw justification, or seek precedents, for taking from a husbandman *one-half* of the produce of his fields? A burthen unknown, not only in Britain, but unheard of in any other part of the world.

Lest any one should hesitate entering into the author's objections to the rate of this tax, from doubts of its being actually renewed and enforced by the British sovereigns of India, the following official extracts may be necessary to the information of readers, unaccustomed to the details of eastern exactions.

Extract of a Letter from the Judge of Broach, dated 11th May, 1808, addressed to the Governor in Council of Bombay.

"The right of the Honourable Company, as rulers and sovereigns, to *one-half of the produce of the Government Lands*, is one of the first and most undisputed principles of the old established laws of this part of their territories."



The Appendix to the Fifth Report * contains the following extracts from the reports of collectors on surveys and assessments.

"The lands in PADDY FIELDS, yielding *two* crops, are ascertained to be 562,5½ Goontahs.

The *highest* of which is as follows :

The first crop of the best of wet lands.....	17
The second crop from the same ground.....	8 6
	25 6
Deduct Sotundrum, &c. equal $12\frac{1}{2}$ per cent.....	3 $2\frac{1}{4}$
Remains.....	22 $3\frac{3}{4}$
RYOT'S share.....	11 $1\frac{1}{10}$
CIRCAR (or GOVERNMENT) share	11
	22 $1\frac{1}{10}$

The fractions being let go to the Ryots.

"The *lowest* rate of the lands giving *two* crops is thus settled.

The first crop produces.....	10 6
The second crop.....	5 4
	16
Deduct Sotundrum, &c. of $12\frac{1}{2}$ per cent.....	2
	14
RYOT'S share.....	7
CIRCAR (or GOVERNMENT) share.....	7
	14

The lands yielding *one* crop are rated from 26. 4. to 13. 15. the whole produce of the first sort..... 15

The Sotundrum.....	1 $10\frac{5}{8}$
	13 $1\frac{1}{2}$
RYOT'S share.....	6 $6\frac{3}{4}$
CIRCAR (or GOVERNMENT) share...	6 $6\frac{1}{4}$
	13 $1\frac{1}{2}$



The total average PRODUCE * on the lands giving TWO CROPS
is as follows :

Whole average produce per Goontah.....	22 2
Sotundrum, at $12\frac{1}{2}$ per cent.....	2 $9\frac{1}{2}$
	19 $4\frac{1}{2}$

Of which

The RYOTS share is (only).....	9 $8\frac{5}{8}$
The CIRCAR or GOVERNMENT share..	9 $8\frac{5}{8}$
	19 $4\frac{1}{2}$

The total average PRODUCE in the lands yielding ONE CROP
is as follows :

Whole average produce.....	11 9
Sotundrum.....	1 $5\frac{1}{8}$
	10 $3\frac{7}{8}$
RYOT'S share.....	5 $1\frac{1}{8}$
CIRCAR or GOVERNMENT share.....	5 $1\frac{1}{8}$
	10 $3\frac{7}{8}$

*Extracts from Mr. Hodgson's Reports in Appendix to Fifth
Report. Page 935.*

" In the Northern Circars, for instance, the Ryots have paid a fixed revenue for ages; that is, they have given *fifty per cent.* or more or less of their produce, according to local circumstances, either in money or in kind."

Page 962. " It is recorded of Benares, that two modes of paying landed assessments prevail in that province. By the first the husbandman engages to pay the value of *one-half* of whatever in the course of the year the farm shall be found to yield. By the second, he makes himself responsible for the original land-tax imposed by the Emperor Akbar, *together with such additional assessments as late reigns have prescribed.*"

* Fifth Report, 761.



Extract from the printed Report of the Bengal Commissioners appointed to settle the Province of Malabar, in 1793. Vol. I. Page 247.

"The chief and council (of Telichery) ordered that the assessment on the oarts should continue in the usual manner, which, whilst only rated as above mentioned, at 25 per cent. on the produce, remained in a proportion of one-fourth more lightly taxed than the rest of Malabar; there being no rule better understood, or more fully and readily acquiesced in, with respect to the assessment of the country in general, than that the Government is entitled to *one-half* of the effective produce of both trees and vines."

Extracts from Mr. Shore's (Lord Teignmouth's) Minute, 18th June, 1789, in Appendix to the Fifth Report. Page 180.

"I assume, as a fact, the Ryots pay in a proportion of *one-half* of the gross produce of their lands."

Page 181. "The rates of assessment are so heavy on the Ryots in many districts, that I believe their capacity to discharge them arises from their secretly holding lands which pay no rent. How far this may extend, I know not."

Numerous other authentic documents might be quoted from the same report; but these, it is presumed, will suffice to shew that such is the rate of impost on the agriculture of India.

Of the abuses in the management and collection of this Revenue, an example may be taken from the

TANJORE REPORT.

"By the Committee appointed to investigate the abuses exercised by the native servants of Government, employed in the administration of the revenues of Tanjore.

(Signed)

CHARLES HARRIS,
JOHN WALLACE,
W. BLACKBURN.

Combaconum,
31 July 1804.

“It is well known to Government, that the manner in which the Land Revenues of Tanjore have been of late years administered, was by an Aumanie division of the crops. The facility, which that system of management affords, of committing depredations on the Revenue, was, from its first establishment, well known to the collector, who appears to have instituted every possible check for the preventing of those abuses, to which, he was fully aware, *the system was in this respect liable*. That these checks were well calculated to ensure the ends for which they were adopted, the Committee have full proof from their effects in the first year of the Aumanie, 1210, when the Sircar servants were not linked together by a common chain of interested villainy and corruption, and when the trifling depredations on the Revenue were confined to a few petty Monigars and inferior Landholders. But restraints, which in that case were effectual, and which would have remained so, had any one class of the native servants continued in the upright discharge of their duty, became of little avail, when the whole mass of servants, both in the Cutcherries and in the districts, felt the desire and sought the means of peculation and plunder.”

“From the accounts given in by the Meerassadars to the Committee,” (under circumstances by which a confession was obtained from the parties concerned in the depredations on the Revenue as amply detailed in the Report) “it would appear that in the three harvest years or Fuslies 1211, 12, and 13, the total quantity of the Nunjah produce kept out of the Sircar accounts, and concealed from the knowledge of the collector, amounted, to 9154 Garce, of which total amount 4707 Garce formed the actual depredation on the Nunjah Revenues of Government. “This grain, had it been brought to account, would have augmented the actual revenues of the three years in the sum of Star Pagodas 1,21,636. 25 f. 53 c. (£48,654 sterling, calculated at 8s. per Pagoda) according to the average price for which the Government grain sold in the different Talooks for the Fuslies in question.”

“The Committee feel little hesitation in stating the Poonjah embezzlement, at Star Pagodas 71,205. 6 f. 69 c. and that of the Sornadajum 12,521. 12. 11. making a total embezzlement on the Revenues of the High Lands in Fusly 1211 of Star Pagodas, 83,726. 19 f. In Fusly 1213, the Poonjah land,

including the Sornadayum, had been rented to the inhabitants."

"The Land Revenues of Fuslys 1211, 12, and 13, have, by the joint depredations and corruption of the Meernassadars and Circar servants, suffered a defalcation of.....

	S. P.	Rs.	C.
* 2,05,363	2	53	
To which, add the amount of embezzlement of grain in 1210.....	2,502	35	48

Total defalcation of Land Revenue since the establishment of the Aumanie system.....	2,07,865	38	21
Frauds in the other Heads of Receipt.....	15,461	36	26
Frauds in the Disbursements as they affect Government.....	39,650	29	13
Frauds in the Treasury.....	6,570	37	15

Total loss by Government in Fusly 1210, 11, 12, and 13.....	2,69,549	14	75
Further amount of Frauds on the Disbursements, not affecting Government but individuals.....	13,714	17	40
Frauds not affecting the Receipts nor Disbursements of Government.....	27,269	32	51

Total loss sustained by Government and individuals.....	† 3,10,533	25	6
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"On the degrees of guilt of the several depredators, the Committee cannot deem it either just or politic, to measure the delinquency of each individual by the degree of profit which he derived from his guilt, for it is not by the actual sum received by any one, or any ten, of the individuals concerned, that the Revenues of Government have suffered, it is from the *example of corruption, and the spirit of rapacity*, manifested by the superior servants, that a *system of daring frauds* has been diffused throughout the whole of the native establishment, employed in the management of the Revenues, and that the whole

* £.82,145 sterling.

† £.124,215 sterling.



APPENDIX I.

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tenantry of an extensive and populous Province have been almost seduced from their allegiance, and led into measures of a nature the most flagitious."

"The Peshear of the collectors Cutcherry, the interpreters in the collectors and assistants Cutcherries, the head Hircarrah, and the head Deloyet, from the very nature of their offices, could have prevented by their integrity, or discovered by their vigilance, any attempt at fraud or embezzlement, on the part of the other servants of the establishment; but by a base, unprincipled, and interested abandonment of every part of their duty, they have, for a comparatively small profit, occasioned a considerable loss to Government, by separating from it, and encouraging in secret enmity with it, the people of a whole country.

	S. Ps.
"The Peschars monthly salary was	100
His depredations on Government.....	13,144
And on Individuals.....	6,849

	S. Ps.
"The interpreter of the collectors Cutcherry, Run- garow, had a monthly salary of.....	50
His depredations on the Public are.....	3,609
On Individuals.....	4,076

	S. Ps.
"The interpreter in the Cutcherry of the first assistant, Ramiah, had a monthly salary of.....	20
His depredations on the Public amount to	8,821
And on Individuals.....	1,835

	S. Ps.
"The interpreter in the Cutcherry of the second assist- ant, Chedumbaranada Moodely, had a monthly salary of.....	20
His depredations on the Public amount to.....	3,088
And on Individuals, to.....	311

	S. Ps.
"The head Hircarrah had a monthly salary of.....	10
His depredations on the Public are.....	2,128
And on Individuals.....	227



	S. Ps.
"The head Deloyet had a monthly allowance of.....	10
His depredations on the Public are.....	1,140
And on Individuals.....	2,058

	S. Ps.
"The Javabnavis received a monthly salary of.....	15
His depredations on the Public amount to.....	1,492
And on Individuals to.....	893

The Committee conclude their Report by inserting the following Statement, showing the proportion which the embezzlement and frauds, in the four Fuslys, bear to the net revenues of those years.

"EMBEZZLEMENT on the Receipts and Disbursements of Government, in Fuzlees 1210, 11, 12, and 13:

	Rs.	C.
Star Pagodas...	2,69,549	14 75
"Recorded net Revenue in the same years ...	34,40,356	33 39
Total net Revenue.....	37,09,906	6 34

Or sterling £.107,820, embezzled out of £.1,483,962."

This instance of a general combination against the Government is a melancholy demonstration of the common feelings of the natives, under the present administration of the revenue, and may be contrasted with very different effects of moderation in another district, as recorded in the Fifth Report of the Select Committee*.

"The ceded districts were obtained by the Company in 1800, and were placed under Lieutenant-Colonel Thomas Munro: this very extensive tract of country, which, including the tributary district of KURNOOL, is larger than SCOTLAND, and which is considered to contain a population of about two millions, had been

sunk to the lowest point of declension by a weak and improvident Government: the value at which it was ceded was 16,51,545 Star Pagodas, including all heads of revenue. The collector in the first instance fixed his rents much *below what had been the former demand*, increasing it only as the means of the Ryot, and the improving state of the country enabled him safely to do; he returned to England at the end of the year 1807, having been upwards of seven years in the charge of the districts. During this period the land revenues had increased from 10,06,593 Pagodas to 15,17,272, or from £402,637 to £606,909 sterling, having in one year (1805-6) in which the season was extraordinary favourable, exceeded that amount in considerably more than a lac of S. Pagodas. The whole amount realized within that period, and up to the conclusion of the revenue year 1807-8, including the other branches of revenue, was no less than 1,19,90,419 Star Pagodas, £4,796,168 sterling, with a remission on the whole of no more than 3,415 Pagodas 1f. 22c. or £1,368 sterling."

"It was recorded by the acting Governor, on the resignation of Lieut. Colonel Munro, "that the inhabitants from disunited hordes of lawless freebooters, had become as far advanced in civilization, submission to the laws, and obedience to the magistrates, as any subjects under the Madras Government; that every one seemed satisfied with his situation; and that the regret of the people was universal on the departure of the principal collector.—It was also stated by the principal collector himself on that occasion, that if no alteration was attempted, the ceded districts would yield, one year with another, about 18 lacs of pagodas, and that it would never be necessary to call out a single SEPOY to support the collections.—In the following year 1808-9, the total collections amounted to no less than Star Pagodas 18,02,570 *, of which sum 16,69,908† consisted of land revenue only."

With these opposite effects in the revenue administration of India before us, with such evidence of abject treachery and fraud in one case, and of loyalty, attachment, and industry in the other, a natural desire will arise to relieve a numerous people from the galling yoke of exactions, which leave them no resource but deceit or violence: and after admiring the example of modera-

* £721,038 sterling.

† £667,963 sterling.



tion which reflects so much honour on Colonel Munro, we cannot refuse joining in the regret expressed by Colonel Wilks *.

"That the long and uninterrupted subjugation of Hindostan by Mahommedan princes had so far obliterated the best characters of the ancient Hindoo constitution, as to present to the first English observers nothing but Mahommedan institutions and edicts, as the earliest documents which it was necessary to consider."

"Institutions," adds the same judicious writer, "derived from the best practices of a code, which inculcates war against infidels as a religious duty, condemns the women and children of the vanquished to slavery, the men to death, and condescends to accept submission and the *highest possible tribute*, as a merciful commutation for liberty and life, do not seem to be very proper objects of imitation for an English government."

"The whole financial plan of a Mohammedan Government *exercised over infidels* is comprised in the following short extract from their most celebrated Law-Tract Hedaya, book IX. Chap. 7:—*'The learned in the law, allege that the utmost extent of tribute is one half of the actual product, nor is it allowable to exact more; but the taking of a half is no more than strict justice, and is not tyrannical: as it is lawful to take the whole of the person and property of infidels, and to distribute them among the Mussulmans, it follows that taking half their incomes is lawful a fortiori.'*

"Those who contend for the proprietary right of the sovereign, will, in this stage of oppression, find him to possess one half of the produce, as a barbarous remuneration for not having *murdered* the original proprietor †".

"In one part of the commentary on a digest of the Hindoo laws by Jagganatha †, "the EARTH is declared to be the protective PROPERTY of powerful conquerors, not of subjects cultivating the soil."

The perusal of such slavish authorities is irksome; but is it not more wonderful that to Governments, whose practices were regulated by these maxims, any reference could ever be made by men accustomed to the language of freedom, and the knowledge of civil rights? by Britons? by Christians?

It is vain to reply, that arbitrary principles are more adapted

* Chap. 5. page 185.

† Colonel Wilks, Chap. 5, Page 164.

‡ Idem, page 116.



to the people of India than of England: such principles and such practices neither lose nor acquire their pernicious tendency to embitter man's life, and degrade him below the ordinary level of his species, from the aspect of a southern or a northern sky: the climate of India can never excuse, nor in the slightest degree palliate the inhumanity or tyranny of Hindoos, Moguls, nor of any other successors to their dominion.

The soil and climate of the Morea are not found to have undergone any such change, as to account from natural causes for the change of character in its inhabitants. It is the pestilential breath of Mahomedan despotism that has wrought the degradation of mankind in these the two finest countries in the world. Restore liberty to Greece, she will again flourish; deprive Britain of her's, and of the nations of Europe she will be the last: were it possible that despotism, like that which for ages has prevailed in the countries of the South and the East, could be supported in our Northern regions, it would sink

“This land of heroes, bards, and patriots,”
to a level with the modern Greeks and Hindoos.

The state of Society induced by this system of revenue in the Company's districts, which had descended to us from our Mahomedan predecessors, is thus described by the Court of Directors when the measure of changing this system was proposed, and Lord Cornwallis appointed to carry the change into effect.

Extract from the Letter of the Court of Directors to the Supreme Government, 12th April, 1786. Second Report, page 156.

“The nature of our dominion in India renders it expedient, that our revenue system should be simple in its principles, and uniform in its operation; and the embarrassed state of our affairs demands from us, and from our servants, every practicable attention to frugality.—On reviewing the conduct of our revenue department for some years back, we have observed a disposition to innovation and experiment, without urgent necessity or apparent cause, but with many obvious and immediate inconveniences; new institutions, and almost instant deviations from them; multiplication of offices, and increase of salaries.

“Such frequent changes must necessarily be productive of dis-



quiet to the inhabitants of any country, still more to an indolent and submissive people, like the natives of Bengal; they must be destructive of good government there, whilst they throw over the whole business of our revenues, and all the official records, a cloud of intricacy and confusion, which almost defeats controul and enquiries on our part.

“ We find them always introduced with the flattering schemes of increase to the revenue, and diminution of expence, which have hardly, in any instance, been realized by the event.”

Extract of a Letter from the Court of Directors to the Supreme Government, dated 19th Sept. 1792. 2d Report, page 166.

“ The finance principle of the Mogul Government, which was to collect continually upon the actual produce of lands, has, from its nature, led to concealment, chicanery, and fraud.— In proportion as the demands of the sovereign were enhanced, these acts were multiplied, and the character of the people of every rank debased.—The great extent of the provinces now held by us; the vast details of their accounts, voluminous for every village, and particularly liable to falsification, loss, and decay; the ignorance, incapacity, and want of principle, too common among the Zemindars; the changes perpetually happening throughout the country among the native officers of the revenue, the corruption of those officers, their fraudulent alienations of land, their indolence and mismanagement; the general inexperience of our servants in revenue affairs during the first years of the Dewannee; and the frequent alterations which have since taken place both in respect to them, and to the mode of administering the finances; the very different nature of our Government, and the calamities which the country has sustained: all these circumstances, to mention no others, have concurred to involve the real amount of the produce of the lands in great intricacy and obscurity, and the same causes, joined to the unceasing struggle between the oppressive exactions and fraudulent evasions, have produced numberless pretences and disguises, increasing continually both the necessity and difficulty of instituting effective laws for the restoration of reciprocal equity and good faith.”

“ But we must upon the fullest consideration disapprove entirely of the Mogul principle of taxation, the division of the actual produce between the sovereign and the immediate culti-



vator of the soil, which, under various modifications, has continued to be the basis of practice until the present time: we are convinced there are evils inherent in this mode, greatly obstructive of national improvement and happiness.—We are moreover by no means satisfied that our provinces have now resources equal to those which they possessed, even when ceded to us: we wish indeed, that we saw no reason to apprehend the contrary.—From the best judgment we can form, the natural calamities to which the country has been subjected, joined to other circumstances, have greatly altered its state, which at present affords no external signs of abounding wealth, nor any probable source of large increase, except the alienated lands, which remain a subject for investigation.

“ With respect to the objections drawn from the disorder and confusion in the collections, the uncertainty of their amount, the variable indefinite rules by which they are levied, the exactions and collusions thence too prevalent, the intricacies in the details of the revenue business, and the ignorance and incapacity of the Zemindars, Lord Cornwallis charges these evils, so far as they exist, (and we think with great justice) *upon the old system*, as a system defective in its principle, and carrying through all the gradations of the people, with multiplied ill effects, that character of arbitrary imposition *which originated at the head*. He therefore very properly contends, that reform must begin there, and that in order to simplify and regulate the demands of the landholders upon their tenants, the first step is to fix the demand of Government itself.

“ If any conclusion is to be drawn from the descriptions given of the people, it is surely this, *that the powerful are oppressive, and the weak fraudulent.*”

The remedy applied by Lord Cornwallis to correct this state of disorder and oppression was the Zemindary Settlement, the principle and tendency of which are thus described in the Fifth Report, page 59.

“ The proportion of the produce of a Zemindary estate, fixed as the Government share, at 10-11ths of the rent paid by the tenantry, though it had not in all cases been fixed with minute exactness, sufficiently shews that it must have been in most cases a large proportion, and that the most attentive and active management was indispensibly necessary to enable a landholder

"to discharge his instalments with the punctuality required by the public regulations. In cases, therefore, where any inequality unfavourable to the Zemindar occurred in fixing the amount of his assessment at the permanent Settlement, the danger of his falling in arrear must have been enhanced; and if once in arrear, and all his estate placed under the management of a native agent deputed by the Collector to hold it in attachment, and collect the rents, the dismemberment of his estate, and sale of his lands must for the most part have been inevitable."

By this arrangement neither the amount or rate of the land-tax appear to have been materially changed. The Ryot had his allotted *half* as before, while the Zemindar's *tenth* seems only to have been a continuance of the share he enjoyed under the old system, (Vide Page 59.) On this account both Col. Wilks and Col. Munro have considered these Zemindars as mere farmers of the revenue, or "Contractors, who undertake to get a greater fixed rent for Government from the Ryots than can be done in any other way—engaging for a per centage to make the Ryots always pay what they now do."

The division of the country however into estates; the enquiries into the revenue funds which preceded this change; the resumption of lands which were held free of revenue previous to this epoch; and the extension of the tax to lands not before subjected to it, were sudden innovations which the country proved in the sequel unable to endure, whilst the aggregate amount of revenue, so far from being lessened, as might have been expected from the preceding orders and observations of the Court of Directors, was very materially enhanced under this new system.

In the Court of Directors' letter to Bengal, dated 19th Sept. 1792, printed in Appendix to the Second Report, it is estimated (Page 168) that the revenue from Land and Abkary (*two* sources) fixed by the Decennial Settlement, (afterwards declared to be permanent, and therefore the Zemindary Settlement here treated of) would amount to rupees 2,59,26,208, or the exact sum of revenue realized from the country in the year *previous* to the Decennial Settlement, that is, under the old system.—It should however be kept in mind, that the revenue under the old system was derived from *three* sources, Lands, Abkary, and Sayer.—It is added that the Sayer revenue, abolished at the Decennial Settlement, was rupees 981,192. Supposing therefore the Abkary (only

rupees 179,568) to be the same under both systems, it would follow from this official view of the case, that the land revenues of Bengal, under the Decennial Settlement, would have exceeded the amount exacted from the country under the old system, by all the amount of the abolished Sayer, or 981,192 rupees.

But this is taken from a review of the Decennial Settlement by the Court of Directors, previous to their having before them the arrangement complete. In the Fifth Report, page 19, we are informed that the land revenue obtained from Bengal, Bahar, and Orissa under this settlement in 1790-1, amounted to rupees 2,08,00,989, or sterling £3,108,915, exceeding therefore the amount realized in the year previous to the Decennial Settlement (2,59,26,208) in the sum of rupees 874,781.—This added to the Sayer revenue, abolished at the Decennial Settlement, makes the excess of land revenue under the new system, according to this more correct view, *upwards of 17 lacs of Sicca Rupees*, or sterling £212,000.

In the Second Report, page 18, it is also stated "Upon a general calculation the amount of revenue expected under the Decennial or permanent Settlement was 260 lacs of Sicca Rupees, or £3,016,000. The annual collections *exceeding that sum* are principally to be attributed to the increased amount of Sayer*, and Abkary duties, to the *rents of land not included in the Jumma*, and to other extraordinary revenues; in some instances to progressive rents; to increased rents on lands not originally settled; or to resumptions on the principles of the regulations."

In 1792 the Court of Directors estimate the Bengal land revenue (Second Report, Appendix III.) at £3,025,000.

In the same year the Decennial Settlement was declared in Bengal to be permanent and unalterable for ever. (See Rep. Page 13.)

The Select Committee however observe (Page 17) "The estimate (i. e. of land revenue) formed in 1793, has been exceeded in each year, notwithstanding the interruptions which have been occasionally experienced from the vicissitudes of seasons."

Independant therefore of increase from the Abkary, we have, in the documents here referred to, official grounds to be assured,

* The Sayer or internal customs, I apprehend, are mentioned here, as a source of increase, through inadvertence, as they were abolished at the Decennial Settlement.

that the land revenue taken from the Bengal provinces under the new system considerably exceeded the amount realized under the operation of the old exorbitant tax of half-produce, not only in the first year of its introduction, but in every succeeding one.

Although some may deem this constant excess of land revenue to be a proof of the wealth and prosperity of the districts in question; to others it will fully account for the almost unheard-of misery which seems to have been the immediate effect of the Zemindary Settlement in Bengal, and which in the Fifth Report, page 60, is described to be "such a harsh and oppressive system as was never before resorted to in this country"—and to have "produced more distress and beggary, and a greater change, in the landed property of Bengal, than has perhaps ever happened in the same space of time in any age or country, by the mere effect of internal regulations."

The nature and operation of the permanent Settlement at Madras, known there by the name of the Mootahdary Settlement, are sufficiently described in Meer Gholanm Ally's letter, (Vide Page 21, et seq. of the Speech) whilst of the state of those districts under the old system of revenue, which we had continued to them from the time of our Mussulman predecessors, the extract from my Lord Wellesley's letter, page 19, gives a most melancholy but too true a picture.

Of the basis indeed of all these revenue systems, new and old, it may be further observed, that in the choice of despotic precedents the farthest removed from natural justice has been preferred in our several settlements. On the principle of Mahomedan taxation, already quoted, *one-half* of the produce is taken as the ransom of the husbandman's life: the commentary of Jagganatha leaves *the whole earth itself* to the discretion of "the protective conqueror;" the main pillars of the permanent or Zemindary settlement stands on no better grounds than these.

But although the principle and practice be perfectly reconcilable with the tenets of Mahomet, from whom they are derived, other Hindoos will be found to be less complaisant than Jagganatha; from whose own commentary, as will be seen in the Extract, page 84, it appears that even after stating this despotic principle of right of property in the soil, the despot was required to content himself with a *sixth* of the produce in ordinary times, and only took a *fourth* in times of urgent necessity, as "of war or invasion." It is indeed certain that in no part of the world



but India, was such a system of taxation ever attempted to be enforced, if ever thought of: nor is it less clear that even in India the imposition is of a modern and recent date: the declaration of its permanency then was surely made by a Christian Government, without sufficient reflection who were its authors, and what must be its lasting effects on the condition and minds of the subjects.

With respectful deference to the Select Committee of the House of Commons, who have bestowed so much labour on the affairs of India, the author must record his dissent from the opinion, quoted at length in page 58 of this Appendix, if it is meant to leave an impression on the public mind, that the tax of half produce was anterior to the entry of the Mahommedans: if the language of the Committee were only intended to be applied to the waste lands as remaining subject to the ordinary rate of taxation, whenever they might be brought into cultivation, this would not be questioned; but there is decisive evidence to prove that before and even since the period of the Mogul invasion, and the establishment of their despotism, the portion of the produce of land allotted to the state was a *sixth*, in many instances only a *tenth*.

A brief review of the different rates imposed by sovereigns, in different ages and nations, will furnish the strongest objections to the further continuance of this unexampled burthen,

The first recorded land-tax was introduced by Joseph, in the rich agricultural country of Egypt, while it was desolated by an extraordinary famine. In the 41st chapter of Genesis we are told,

“When all the land of Egypt was famished, the people cried
“to Pharaoh for bread: and Pharaoh said unto all the Egyptians,
“Go unto Joseph; and what he saith to you do, and Joseph
“opened all the store-houses, and sold unto the Egyptians. (Chap.
“47.) And Joseph gathered up all the money which was found in
“the land of Egypt for the corn which they bought: and when
“the money failed, Joseph said, Give your cattle: and he fed them
“with bread for all their cattle for that year. When that year
“was ended, Joseph bought all the land of Egypt, for the Egyptians sold every man his field, because the famine prevailed over
“them: so the land became Pharaoh's, only the land of the
“priests he bought not.”

“Then Joseph said unto the people, “Behold, I have bought
“you this day and your land for Pharaoh: lo! here is seed for



“ you, and ye shall sow the land, and in the increase ye shall give
“ the FIFTH part to Pharaoh, and FOUR parts shall be your own,
“ for seed of the field, and for your food, and for them of your
“ households, and for food for your little ones. And Joseph made
“ it a law over the land of Egypt unto this day, that Pharaoh
“ should have the FIFTH part, except the land of the priests
“ only, which became not Pharaoh's.”

The recital of this transaction is characterized with the beautiful simplicity of Holy Writ, and it is important to our argument, that after Joseph had acquired all the lands of Egypt, by a solemn compact, and for a valuable consideration, HE found it *consistent with sound policy, and proper consideration for the welfare of the people, to levy only one-fifth of the produce*; the remaining four parts being necessary for seed and for the cultivator's food, and for them of their households, and for their children, in Egypt, as in fact it must be every where.

The fertility of the lands washed by the Nile is not less celebrated than those of India: and had less than four-fifths sufficed for the maintenance of the cultivators, there is no reason why Joseph might not have taken more than one-fifth for Pharaoh, in the situation of legal and peaceable proprietor of all the land of Egypt: but every collateral circumstance makes even the establishment of a land-tax, at the rate of one-fifth, appear to have been considered extraordinary: that it was new in Egypt is evident from the accompanying detail; and when Moses enacted a permanent revenue from the resources of a country to which he led the Israelites, “ a land flowing with milk and honey,” although he might have stipulated the same allowance for the support of the Hierarchy in Canaan, as Joseph had settled upon Royalty in Egypt, and little doubt can be entertained but men who had witnessed the levying of one-fifth, would have willingly paid the same, as a condition of obtaining vineyards, &c. “ which they had not planted;” yet a more liberal policy seems to have actuated the Jewish lawgiver, who was content with *a tythe* “ of the seed of the land, and the fruit of the tree.” Leviticus 27.

Sicily, the next most fertile country of antiquity, was taxed by the masters of the world at only *one-tenth*, and Cicero's animated exclamation against Verres for taking more might be repeated to the present sovereigns of India. Numquid præter singulas decumas debent *?

* Cic. 7 Verr.



* Spain * paid only one-twentieth. Livy, lib. 43. c. 2.

"A tenth is the traditional share paid in India, before the institution of the sixth. It is the portion paid in the little principality of Coorg at this day, and the Dutch found and continued that tax at Ceylon".

The rate established by Joseph in Egypt may be considered as the utmost extent of taxation in his age, perhaps for many ages after him.

"Menu †, the Indian lawgiver, who is by some taken for Minos, and who flourished 880 years before Christ, states the taxes of various kinds, which may be levied by the King. Of the produce of land, *a sixth* is the largest share which can be taken in ordinary circumstances, and a fourth in times of urgent distress; but the whole tenour of the Institutes ‡, and the digest shew, that the *sixth part* of the crop is the King's share, which is constantly in the contemplation of all Hindoo lawyers."

"Pandian §, Anno Dom. 1252, taking advantage of a civil war, invaded Canara in ships, and conquered the country. Before his time the sixth had been received in the rough grain; but he imposed on his subjects the task of delivering it deprived of its husks in a state fit for food, thereby increasing the revenue about 10 per cent. which is the estimated expence of this operation.

"This mode of payment continued until the establishment of a new Government at Vedeyanuggur, founded by fugitives from the subverted Government of Warangal, when the Pandyan dynasty of Canara having reached the period of its decline, yielded to the rising state in 1336."

"The minister and spiritual Preceptor Vedeyaranya, under whose auspices the new dynasty was erected, composed a work on Law and Government, which is still extant in many hands, and easily procurable. It was intended as a manual for the officers of state: is founded on the text of Parasara, with a copious Commentary by Vedeyaranya, assigning as usual to the King *one-sixth* as the royal share of the crop, and very rudely pronouncing the King, who takes more, *to be infamous in this world, and consigned to Nareka (the infernal regions) in the next.*"

* See Colonel Wilks on the South of India, Chap. 5.

† Wilks, 126.

‡ Cap. 8. v. 384, 308. Digest. Grot. 11. p. 168.

§ Wilks' South of India.



"This sage Vedeyaranya * was desirous of converting from a grain to a money payment, and he established fixed rules for the Conversion, founded on the quantity of land, the requisite seed, the average increase, and the value of the grain.

The result literally conforms to the law of the digest.

$\frac{1}{6}$ to the King.....	$= \frac{1}{60}$	$\left. \begin{array}{l} \\ \\ \end{array} \right\} \frac{11}{60} = \frac{1}{4}$
$\frac{1}{30}$ to the Bramins.....	$= \frac{2}{60}$	
$\frac{1}{60}$ to the Gods.....	$= \frac{1}{60}$	
The rest to the Proprietor.....	$\frac{41}{60} = \frac{3}{4}$	
		1"

Colonel Wilks further informs us, that for the division of the produce,

30 being the whole number, it is calculated

that 15, or $\frac{1}{2}$, is consumed in the expences of agriculture, and the maintenance of the farmer's family.

5 = $\frac{1}{6}$ to the sovereign.

1,5 = $\frac{1}{30}$ to the Bramins.

1 = $\frac{1}{60}$ to the Gods.

7,5 = $\frac{1}{4}$ to the Proprietors as net rent or income.

30,0

In the Disquisition on the Property in the Soil from Mr. Colebrook's Translation of the Digest of Hindoo Law, by Jagganatha Tercapanchanana, we find the following interesting passages :

"Having ascertained the rates of purchase and sale, the length of the way, the expences of food, the charges of securing the goods carried, and the net profits of trade, let the king oblige traders to pay taxes on their saleable commodities."—Menu.

"After full consideration, let a king so levy those taxes continually in his dominions, that both he and the merchant may receive a just compensation for their several acts."

"As the leech, the suckling calf, and the bee, take their natural food by little and little, thus must a king draw from his dominions an annual revenue."

* Wilks, page 153. See also page 75 of this Appendix.

“ Of cattle, of gems, of gold and silver, added each year to the capital stock, a *fiftieth part* may be taken by the king; of grain, an *eighth part*, a *sixth*, or a *twelfth*.”

“ He may also take a *sixth part* of the clear annual increase of trees, flesh-meat, honey, clarified butter, perfumes, medical substances, liquids, flowers, roots, and fruit.”—Of gathered leaves, pot-herbs, grass, utensils made with leather or cane, earthen pots, and all things made of stone.”

“ Let him not cut up his own root by taking no revenue, nor the root of other men by excess of covetousness; for, by cutting up his own roots, and theirs, he makes both himself and them wretched.”

“ Let the king so act, that he also may receive benefit out of the profits of trade which remain after defraying charges, and that the merchant may receive just compensation for his labours.”

“ Let the king gather blossom after blossom, like the florist in the garden; and not extirpate the plant, like a burner of charcoal.”—Parasara.

“ As the florist in the garden plucks blossoms successively put forth, and does not eradicate the flowering shrub; so should the king, drawing revenue from his subjects, take the *sixth part* of the actual produce: but the maker of charcoal, extirpating the tree, burns the whole plant; let not the king so treat his subjects.”—Madhava.

“ Giving a *sixth part* to the king, a twenty-first part to deities, and a thirtieth part to the priests, a man offends not by applying himself to agriculture.”—Vrihaspati.

“ A military king, who takes even a *fourth part* of the crops of his realm at a time of urgent necessity, as of war or invasion, and protects his people to the utmost of his power, commits no sin.”—Menu.

A comparison of the tax of half produce, levied on the husbandmen of India, with the modern rates of taxation in other countries, will present to the reader, accustomed only to European modes of assessment, this anomaly, that in India government stands in the double capacity of sovereign and landlord; the respectable class of what in Great Britain is denominated the Landed Interest; a class renowned for wealth and independent



principles, and always considered as the principal bulwark of the nation, ceases to exist: between the governors and the husbandmen, or labourers, there is found only a class of officers, appointed to enforce the tax, and collect the half of the produce; for such, it is acknowledged and recorded in the Fifth Report, are the Zemindars themselves, with no other advantage over the revenue officers of Europe, but that of their employments being hereditary. The land-tax of India is not, as with us, assessed on a landlord's rent, but on the gross produce of the ground. This is the original and only basis of the Zemindary Settlement, and of every other attempted improvement in the revenue system of the country.

With this distinction premised, the following extract from the author's Essay on Taxation, which is placed on the records of the Bombay government (8th July, 1808) * will exhibit the enormous difference between the burthen of Indian taxation, and that of other civilized states.

"The land-tax in England †, though nominally four shillings in the pound, varies in different districts from four to one shilling in the pound, and in some less: and this is calculated on a very moderate value of estates, framed in 1692, in the reign of William the Third."

"The land-tax (*rente foncière*) in France, is stated, in their own reports, to have been universally complained of as heavy, and to have fallen very unequally, although only a professed fifth of the net produce."

"In the ancient dominions of the King of Prussia, the land-tax is said to be assessed at the rate of 20, 25, 33, 38, 40, 45, and 50 per cent. of the *Revenue of the Proprietors*, according to their different ranks or privileges, and this country is consequently far behind England in point of prosperity."

"In ARTHUR YOUNG's account of LOMBARDY, a very minute detail is given of the gross produce, rent, and taxation, of land."

"In the MILANESE, taking 100 pertiche, he states its gross produce in corn, wine, and silk, at 1836 livres, of which the Proprietors nett share (*rent*) is 785 livres, exclusive of tax. Land

* See Papers ordered by the House of Commons to be printed, 22d June, 1813.

† Essay on Taxation and Revenue, by the Author, page 28.



of this rent and value pays $15\frac{1}{2}$ soldi per pertica, or 77 livres, on the hundred (pertiche). The tax is paid by the farmer; but if it were not, it would form a part of the landlord's share, making this latter 862 livres, which is equal to £8. 18s. per cent. or 1s. 9d. in the pound. Only half of this contribution of 77 livres goes to the sovereign, the other half is retained for roads, bridges, and parochial charges, and in some cases the partial support of the Curees is included."

"In the ecclesiastical state of BOLOGNA, the land-tax is computed at only * 2d the English acre. In *Parma* about 9d. and in *Modena* the common calculation is, that all taxes whatever only equal a *fifth* of the gross produce of land."

"In *TUSCANY* the land-tax is, in many places, redeemed: that part of it which is paid to communities for roads, &c. and is not thus redeemable, amounts to no more than one-tenth of the net rent. From the general tenor of Mr. Young's observations, I should conclude, therefore, the whole of the land-tax, previous to redemption, to have been one-fifth of the *net rent*."

"In the Venetian territory all the arable lands, which are given in lease to farmers, are taxed at a tenth of *the rent*. When the Proprietor cultivates his own lands, they are valued according to an equitable estimation, and he is allowed a deduction of one-fifth of the tax, so that for such lands he pays only eight, instead of ten per cent. of the supposed rent †."

"With regard to our other tax, as referrible to the actual produce of the lands, and purporting to be *one-half of that produce*, it may be briefly observed, that Dr. Davenant states the *land rents* of England, generally, to be to the gross produce as nine to twenty-one, or three-sevenths, and the rents of corn lands as two-ninths only of the produce."

"Dr. Smith says, that in the present state of Europe, the share of the landlord (*rent*) seldom exceeds a third, sometimes not a fourth, of the whole produce of the land! It is therefore very clear, that in Europe, were there no landlords in the

* (By the Author). It is a common rule in Salsette to estimate the average produce of a begah of land at one morah of batty. A begah is about three-fourths of an acre. The morah of batty is rated at 20 rupees, one third of which is the Government share, or somewhat less than seven rupees per begah. At this rate even the reduced land-tax on Salsette would average upwards of a guinea per acre.

† Wealth of Nations, vol. iii. page 267.



way, the lands generally would never pay a tax to the state of half-produce."

"In China the principal revenue of the sovereign consists in a TENTH part of the produce of all the lands of the empire: this tenth part however is estimated so very moderately, that in many provinces, it is said not to exceed a thirtieth part of the ordinary produce *."

"But it may be safely alleged, on the grounds of experience, that though some lands may be sufficiently rich to yield half their produce to a landlord or government, the other half being sufficient to defray the charges and reasonable profits of cultivation, yet this is not the case generally: in the majority of lands it will require from six to eight-tenths of the produce, and sometimes more, to defray the charges and profits above mentioned; and it then follows, that a tax, regularly and correctly assessed at half the actual produce of lands, would not leave to the inhabitants of any extensive country under heaven a sufficiency to subsist on."

"Although † the principle of a tax at half-produce be very general in India, it may be difficult to state when and where it had its origin. It may, however, confidently be asserted, that it arose out of some violent overthrow of the natural order of societies, and is decidedly foreign to the ancient institutions of the Hindoos, under which India is supposed to have long flourished; for,

"First, the erection of a class of landed proprietors, is, according to the free course of nature's laws, as certain and evident a consequence of the cultivation of land, as the production of a plant from its seed. The more fortunate, the more strong, or the more industrious among the first cultivators, who were the first proprietors of the earth, would soon extend their possessions beyond their own individual means of tillage. Cultivation by tenantry would ensue; and land proprietors, properly so called, being thus established, would, in the ordinary progress of civilized society and population, naturally become more numerous, more extensive, and more wealthy. That these proprietors formerly existed, and perhaps universally in India, there cannot be the least doubt; it is equally certain, that they must cease to exist where the ruling power would absorb all the produce of the soil beyond a bare

* Wealth of Nations, vol. iii. page 263.

† Fureker's Remarks on Taxation and Revenue, 7th July 1808, page 59.



maintenance to the wretched cultivators. That existence therefore must have been crushed at some later period, and the landed proprietors swept away by the torrent of violence, from those countries where this principle of taxation was first enforced."

"Secondly, We are informed that the Mahabharata authorizes "the prince to levy a fifth of the produce of mines, and a tenth of the corn." Menu and other legislators "authorize the sovereign to exact a sixth, an eighth, or a twelfth of the grain, according to circumstances; and a sixth part of the clear annual increase of the trees." The Institutes of Akber record, that former monarchies of Hindoostan exacted the sixth part of the produce of lands. Under Akber the revenue was settled at a third of the average produce of lands; and in Mr. Grant's Observations on the Revenues of Bengal, the assessment is said to have been limited not to exceed in the whole a fourth of the actual produce of the soil."

"The whole Section here referred to, 'of tribute and taxes,' is very interesting, and applicable to the present question: it states the rates in Turkey, Turan, and Iran, to be a sixth or fifth and a tenth of the produce, and gives a detailed account of the Akberian rates of collection from different descriptions of land. The subjoined account, taken from ancient Hindoo works of great repute, was furnished by a Pundit in Bombay."

"Translate of the comment of the twenty-fifth stanza, in section sixty-eight of the chapter Shantee Punva, a division of Mahabharat, written by Kiās, which treats on the state policy, and wherein Bheestna tells Rajah Dhuram how much tribute a Rajah should collect from his subjects."

"One sixth part of whatever the subjects will produce from their land, and the same to be applied for their maintenance. Then whence shall the Rajah get money for his expenses?— I observe, he is to receive *one-sixth* of the produce of land from his subjects, after measuring the grains, and no more; to levy fines on the offenders as well as on those that become variously vicious, and annoy others, or to conquer the kingdoms of others by his own valour, and thus gain wealth: also, to collect customs from the merchants on goods they import by ships, or on bullocks. Through all these means he shall raise funds, thereby to defray his charges and to protect his subjects—not to become indolent himself in pursuing all these measures—



"The subjects also, with willingness, are to pay the Rajah's
"cess."

Neelkund Bhut, son of Narayan Bhut, an author of a book, intitled, "*Mayookh Darmashatra*," or "*Religious Institutions*," in which he treats on the subject of policy, observes,

"That the Rajah should show pride, and be compassionate,
"and receive from his subjects, from year to year, *one-sixth* part
"of the produce, and protect them: if this be neglected, he shall
"be liable to share half of whatever *sins* they may commit, be-
"cause he receives tribute from them."

"Translate of the paraphrase of a stanza, the author Calli-
dasa inserts in the first chapter of a book written by him, inti-
taled, "*Raja Wounee*."

"The Rajah, for the purpose of doing good to his subjects,
"shall collect from them *one-sixth* of the produce."

The author adds the following simile: "That the sun attracts
"water, and pours down seasonably, a thousand times more
"than the attracted quantity, as the people on the earth want; so
"the Rajah, having received a *sixth* part of the produce, ought
"to expend a thousand times as much for the defence of his
"subjects."

"In Malabar, we have the authority of the printed Report of the
first Commissioners, a work distinguished for its useful and accu-
rate information, to be assured that no land revenue was collected
by its ancient princes; and that when expensive preparations be-
come necessary against apprehended invasion, they only exacted
from the landholders a *fifth* of their produce. This information
is the more valuable, as the aboriginal laws and customs of the
Malabarians seem to have been preserved unimpaired from time
immemorial, down to the subversion of their principalities and
government in 1766, by the power of Hyder Ally, and must have
had some reference at least to the established usages of surround-
ing countries."

"It is remarkable, that the practice of the Malabarians has in
this respect a striking coincidence with a Jewish ordinance. The
Malabar Rajahs have from time immemorial possessed landed
estates, from which to support the princely dignity; and exacted
no land tax from their subjects. In the divine commands, through
Ezekiel, to the Jews, on their prophesied restoration to the land
of their fathers, we find the following injunctions in respect to
their princes.

" Chap. xvi. ver. 7 and 8. " *And a portion (of the land) shall be for the prince, &c. &c.*" (describing its situation and extent.)

" In the land shall be his possession in Israel: and my princes shall no more oppress my people; and *the rest of the land shall they give to the house of Israel according to their tribes.*"

" Chap. xlv. v. 18. " Moreover the prince shall not take of the people's inheritance by oppression, to thrust them out of their possession; *but he shall give his sons inheritance out of his own possession: that my people be not scattered every man from his possession.*"

" It would seem from this latter verse, too, that the prophet clearly foresaw both the advantage and absolute necessity of restricting the prince and his posterity to their own prescribed inheritance, lest the scattering of the people from their possessions, should be, as he well knew, the infallible consequence of the sovereign becoming general or universal proprietor of the soil; and as is so clearly exemplified in most of the modern Governments of India.

" In Guzerat it is also ascertained, that no such principle of taxation was in general force, up to the period of the Mahomedan Conquest; and that even after the introduction of the Musulman power, the Grassia landholders successfully resisted, as they do to this day, the payment of any such tax; and,"

" In Salsette, authentic records are still extant to prove, that it was not adopted by the Portuguese Government. A statement now in my possession, procured from the records at Goa, exhibits the whole of the land revenue derived from the island by that government, as amounting only to 20,000 purdaws, or about 10,000 rupees per annum; whilst the lands were given up in undisturbed and undisputed possession to individual proprietors, who thus became numerous, respectable, and wealthy."

" If therefore the principle here discussed, shall be neither found to be sanctioned by the old legal institutions of the country, or by the natural established order of societies; and if violence, or the effects of despotic power, be its probable origin; it will, I hope, be allowed no claim to the privilege of being perpetuated in the civil institutions of a just and moderate government, merely because preceding conquerors had enforced it. Precedent, prejudice, or prescription, the common motives of human action, may very properly sanction in established practice what is right; may even justify what is indifferent, but can never excuse what a

candid examination at the shrine of reason would prove to be decidedly wrong. Unconsciousness of evil may indeed be some excuse for errors from precedent; but to err with our eyes open is an unjustifiable aggravation of injury."

"That the principle of a tax of half-produce owes its origin to violence, to conquest, or the more gradual oppressive exercise of despotic power, is rendered still further probable, from the circumstance of our having several traces of the division of half-produce being the rate adopted between LANDED PROPRIETORS and THEIR TENANTRY OR CULTIVATORS: we know it existed on Salsette, during the time of the Portuguese; it still appears to obtain in the Bengal provinces under the Permanent Settlement; it is probable therefore the principle may have been formerly more general; and on the annihilation, or expulsion of proprietors, it would be but natural for the despot who took their place, to appropriate also to himself their share in the produce of the soil. This was actually the case on Salsette, when the Mahrattas took the island from the Portuguese. The conquerors adopting the principle of a tax at half-produce (which was before this the landholders share only, not that of the displaced Government) the class of proprietors soon disappeared; and in Malabar (independent of the violent expulsion of the whole class of landholders by the Mahomedan power) many instances came within my own personal knowledge, of landed proprietors, after their return under our Government, abandoning their estates to their farmers, desiring them to be responsible for the required revenue, in consequence of our local officers having been enabled partially to enforce the same tax."

"But the rate of division between proprietors and their tenants, is a very fallacious ground of assumption in behalf of a Government tax, since the rent of an estate paid to a landlord, and a land revenue paid to a government, are entirely and essentially different both in their nature and effects.

"The aggregate amount of revenue is chiefly divided into small stipends or salaries, the expenditure of which has very little influence on the industry, and consequently on the comforts and wealth of the society. Of those deriving large salaries, from which they still only accumulate fortunes in a long series of years, few or none remain to expend them in this country."

"But the aggregate amount of rent contributes immediately to the elevation of a class of wealthy proprietors in the state, whose expenditure is the only natural means of stimulating general in-



dustry, and of promoting the general wealth and comforts of the society."

"The amount of revenue is often expended on purposes foreign to the promotion of industry, and at a distance from the place of its collection; not unfrequently, in foreign and even inimical countries."

"But the rent of resident landed proprietors is always expended in the promotion of individual and domestic industry, and chiefly on the spot."

"Proprietors and their tenantry are left to a reciprocal view of their own interests, in arranging their respective terms of tenure. In the natural order of things, both one and the other would of necessity be equally consulted."

"But the division of produce between a Government and its cultivators, must as necessarily be almost always arbitrary; whence we find the interests of one party only considered, and those of the other almost wholly neglected."

"The local experience of resident landed proprietors, and their own private interests, naturally suggest the most advisable measures for improving the produce of their estates, which is most effectually accomplished by improving the condition and resources of their farmers; and the natural impulses of humanity establish an intercourse of kindness and assistance between a lord and his dependants, which the latter can never experience or expect from personal intercourse with a government. Its local officers have no interest in local improvements, but a manifest one in local exactions for their own benefit: in the first case, the interest of the proprietors and tenant are co-operative to the same useful end, and the public good is promoted; in the latter case, the interests of the local officer and tenant are decidedly at variance, and the public good is effectually frustrated."

"In short, it would seem to be impossible for a government in any way to occupy lands to any useful end; both the possession and the cultivation of the soil is the exclusive business of subjects, and should be surrendered to them; unrestrained interference on the part of the prince, is an infringement on their rights, their privileges, and their duties: in India it has even extinguished a class in the order of society, without which no society can materially improve: it is foreign to the object of protection; a clear violation of the order of nature; and we need be no longer surprised at its militating no less against individual prosperity, than



against the amelioration, when required, of the resources of the state."

There is a manifest concordance of these suggestions with the conclusions of the Select Committee of the House of Commons, and with their numerous quotations of opinions extracted from the official representations of distinguished officers, in the service of the East India Company. Referring to the 5th Report for the recorded opinions of Lieut. Colonel Munro, Mr. Ravenshaw, Mr. Thackeray and others, it may suffice to select the following as a decisive declaration of the impression on the minds of the Committee themselves, as to the necessity and nature of the improvement, which it is the sole object of these pages to recommend.

"Your Committee* have deemed it proper to bring under the notice of the House this gratifying instance of a province, which was, in so short a space of time, restored from a condition of the lowest depression to one of comparative prosperity, (under the management of Mr. Ravenshaw.) In a former part of their Report, they had occasion to state another extraordinary instance of the same kind, in regard to the management of the ceded districts, during the seven years they were under the enlightened superintendence of Lieut. Colonel Thomas Munro: they both furnish undeniable proofs of the important good effects which have resulted from the establishment of *moderate rents*, and especially a system of adequate protection to individual rights and property. The amelioration which has taken place in the condition of the provinces, which the Committee have here particularly referred to, and which, in a greater or less degree, has been produced in the other parts of the modern territory, under the Madras presidency, is undoubtedly in a great measure to be ascribed to the talents, activity, zeal, and experience of the collectors; but your Committee are thoroughly satisfied, that all these qualities combined could not have enabled them, so generally, to have improved the situation of the provinces under their charge, had they not paid particular regard to *moderation of rent*. The great practical principle enforced in all their Reports, by Lieut. Colonel Munro and the other collectors, whose revenue administration has been the most prosperous, the principle on which they acted themselves, when *left to their own discretion*, and which they never ceased to press on their assistants, was this, that to

* Fifth Report, page 155.



enable a country which had been long oppressed to attain a flourishing state, assessment must first be low, and can be increased only with its increasing improvement; and that one year of over assessment would throw it back, beyond the power of several favourable seasons again to recover."

With so many arguments drawn from history, and the example of existing States, with yet more forcible objections from natural justice, and (may it not be added?) from religion itself, against the burthen of Indian taxation, which is so properly appreciated in the Reports to Parliament, and condemned even in the letters of the Court of Directors, the policy of its continuance ought to have some extraordinary and unquestionable grounds of justification.

There is none in an expenditure of the Revenue on objects of public utility to the inhabitants of the country from which it is thus obtained: our system of taxation has little resemblance to the attraction of water by the solar rays, to be returned in refreshing showers, and impregnating dew or rain, on the ground whence it is drawn: very different is the absorption of a foreign monopoly, which, alas! has no elements of reproduction: a perpetual drain to the empty coffers of a distant treasury, leaves the natives no consolation in the spectacle of increasing local improvements: the soil is exhausted, and the Ryot of India bewails his privations, unheard and unseen by his European and Christian masters.

Neither is there much advantage actually realized to the proprietors, who claim this revenue in Britain, if the published accounts of the East India Company might have our assent; for they represent the ordinary receipts from their territories, to be some millions sterling less than the ordinary expenditure; and indeed it is found, by a Committee of the House of Commons, on examination of their accounts for seventeen years, ending in 1809, that with all their revenues, and all the exclusive trading privileges of their expiring charter, they have contracted new debts, within the period, exceeding the value of all their effects, at home and abroad, by more than twelve millions sterling.

The permanent Settlement of this unexampled tax on the produce of lands in India has not the plea of justification, which might be valid in other countries, of a corresponding amount of reciprocal benefits to the Indians, who pay it: nor that of proportional advantages, ever ascertained to the European proprietors, for whom it is levied.



To the judgment of a discerning British public, it is therefore submitted, that in the continuance of this tax, policy itself is disregarded, justice violated, humanity outraged, and christianity forgotten or condemned.

There are good reasons for believing, as will be fully shown in the following Appendices, that it is the baneful spirit of monopoly which occasions all the disasters of the East India Company, and thus perpetuates the misery of their subjects. Whatever humanity, or national honour, might add to the suggestions here offered, with a view to improve the condition of the Indian husbandman, and alleviate the burthen of taxation under which he groans, it is a mortifying consideration, that the same tribute which was first offered at the shrine of the prophet of Mecca, now termed REVENUE, and still amounting to ONE HALF THE PRODUCE of the soil, is continued, and declared to be permanent and unalterable for ever, in order to indemnify the losses, and repair the dilapidations, of a Commercial Sovereignty in London; whose exhausted treasury has no resource for mercantile or political operations, for the payment of dividends on stock or interest on debt, but this revenue, thus drawn from the agricultural industry, as a vital stream from the heart, of India.

PART II.

SECOND SPEECH,

DELIVERED JUNE 14, 1813.

MR. SPEAKER,

WHEN I had last the honour of addressing this House, I endeavoured to explain certain reasons, which operated with peculiar force on my mind, in favour of a free trade between India and England, as the only apparent remedy for a most important evil in our civil institutions abroad, and as the means of realizing to the inhabitants of India those blessings, it was the object of the Zemindary Settlement to confer.

Some objections have been made to my view of the case, but none that in the least weaken the facts adduced, as to the enormity of the Indian Land Tax, and its paralyzing local effects. These are certain, and recorded; supported by a variety of official documents, and by the concurring testimony of many high authorities now in England. One honourable member indeed (Mr. Thornton) produced, the other night, an extract from the Fifth Report, avowedly to shew that my impres-

sions were erroneous ; yet one of the passages in that very extract, as the House will no doubt recollect, expressly stated, that under the system alluded to, *no Ryot could get rich by means of his industry.*

Now, Sir, if the honourable gentleman's object had been to produce authority in support, rather than in refutation, of my position, nothing more appropriate could have been selected ; for this is the point, and the only point in the Zemindary Settlement, I then insisted on. It is precisely this *confirmed poverty of the people*, this inability to get rich, that I regard as the great evil of that system ; and for which I see no remedy, (since the rate of tax is decreed to be unalterable,) except through the medium of a free trade ; the demands of which would, in the manner I then described, give an additional value to landed produce, so as to diminish the relative amount of the tax, and leave to the Zemindar something more than the miserable pittance he now gets as the net rent of his estate.

Various other extracts might be made from the Fifth Report, equally illustrative of the facts adduced ; but I forbear to trouble the House with them as the Report is on the table. All I hope is, that the Report itself may be now more generally read ; for, however voluminous, it contains a number of most interesting documents, and such as, I am satisfied, will be found fully to confirm all the opinions I have so long held on this important subject. It will be there seen, that in Bengal for



example, (to say nothing of the other parts of India) the ancient fabric of society, with its natural ties, and influences, and authorities, has been shaken; the most ancient and respectable families, the natural bonds of society in all countries, neglected and impoverished; themselves, and their descendants, confounded with the mass of the people; and this mass of the people, (the point to which I chiefly adverted) to use the words of an official document attached to the Fifth Report, "just what their fathers were—acquiring by labour what is barely necessary for their existence—and unable, by dint either of parsimony or of industry, to become rich*."

I do not say that other parts of our civil institutions in India are equally defective, nor that some of them are not good; whilst nothing can be further from my design than to question, in respect to any of these institutions, the merit of *intending* to promote the public advantage; but, admitting this intention to have been accomplished—admitting our institutions to be *generally* sound—is this a sufficient plea, when partial disorder manifests itself, to reject the consideration of a remedy? It has been, however, objected to my notice of a serious and ascertained evil, that the general principles of the system were good; adding, at the same time, in apology for admitted errors, that perfection was not to be expected in any human institution; but this is an argument entirely favourable, rather than adverse, to the line I have adopted. If defects are

* Fifth Report, Page 529.



inevitable, it is no reflexion either on the authors or ministers of any political system, to point them out for palliation, or remedy, as soon as they are discovered; and if this be performed in the spirit of truth, and not from a love of censure or of slander, some at least, I should hope, of my present hearers will be disposed to think it, not only justifiable, but useful. To object to the exposure of defects, is to shut the door against improvement: and to exaggerate, as has been often done, the governing system of India, as fraught with every excellence, is to check inquiry into those means of improvement, which the principle of this objection admits to be requisite in every institution of man.

In very many of the accounts which are given to us respecting India, it is necessary to proceed with a certain guard upon our judgments. It must be remembered, that they are our own accounts of our own acts, and cannot therefore be expected to be always free from those partialities, which the *esprit de corps* has an invariable tendency to create. Justice, moderation, peace, and security, are ever proclaimed to be the object of our government in India—and a general consciousness, that such is really and honestly intended, leads many to believe, that such really have been its practical effects. In no documents, indeed, more than in those now on the table of the House, do we find this spirit, mixed with a great deal of sound reasoning and authentic matter.



I would, on no account, however, have it conceived, that I mean to throw any imputation on the public servants in India. In speaking of them, I of course exclude myself: an honourable Director has already been pleased to inform the House of my unworthiness, at least in his estimation. Always, therefore, excepting myself, I hope I may be allowed, with perfect propriety, to say that India exhibits as able, and as honourable, a set of public servants as any country upon earth. Some of these have appeared at the bar of this House, and received the deserved encomium of my right honourable and eloquent friend on the bench below. Others may be judged of from their writings, many of which are now before the Public: and it is impossible not to be struck with the intelligence they display, and the eminent qualifications of their authors, for the discharge of the great trusts reposed in them. But, Sir, with such men to administer the government of India—with a soil, climate, and population, highly favourable to prosperity—is it not wonderful that every thing should appear stationary? Nay, is it not more wonderful that prosperity should not rapidly advance?—and that the mass of the people should now be described by some of their most eminent and distinguished rulers, to be actually unable to grow rich, either by industry or by parsimony? For my own part I cannot conceive a stronger argument than this is to prove, that our institutions in India contain some radical de-

+ Mr. Lawrence



fect, of power sufficient to counteract the zeal and humanity of the most meritorious functionaries.

The radical defect I take to be the *exorbitancy of the Indian Land Tax*; and whilst this continues to bear upon the great mass of society with its present weight, my own conviction is, that the benefits intended to be communicated to the Natives will never reach them.

Free commerce being the only medium through which, in my opinion, any amelioration of their condition is likely to be obtained, I expressed, on a former occasion, my anxious wish that, in the enactments now about to take place, there might be as few restraints as possible on the private trade, and that the East India Company would withdraw from what is attended with loss to their commercial, and prejudice to their sovereign, interests: in this latter respect I trust to make it appear, I consulted the real benefit of the Company: to promote it, in the most effectual manner possible, has long been an object of my solicitude and inquiry; it has not only been my wish, but my duty—but, in the prosecution of this duty, I have thought it incumbent on me, as an honest servant, always to give a fair view of the Company's affairs, neither magnifying advantages on the one hand, nor concealing real injury and loss on the other.

I was first led to a knowledge of their commercial losses, by the share I had in the administration of their affairs on the western side of India. Some of

these I shall briefly notice, as connected with the object of the 7th Resolution now before us—or the proposed complete separation of the Company's commercial, from their political, accounts.

The first thing deserving of notice is the item in the Company's accounts, called "Commercial Charges."

Upon looking into the books of the Commercial Factories, including the Forest Conservator's books, subordinate to the Presidency of Bombay, and the books of the warehouse department at the same Presidency, I found they contained two distinct sets of charges—the one classed under the head of "Charges on Merchandize," the other under that of "Commercial Charges." The former are admitted into the Invoices of the Company's trade—the latter always and wholly excluded. The "Commercial Charges," are already explained in the Third Report *, to consist chiefly of the expense of servants and establishments attached to the Company's commercial department; and are, therefore, obviously charges on their trade—and though in the accounts lately laid before parliament, an item is included for "Commercial Charges," yet it is clear, from this arrangement, that all the more partial statements, given on record, of particular branches of the trade, and taken from invoices alone, must be erroneous, and the profit, calculated in such statements, purely ideal.

But besides these "Commercial Charges," I found

* See Third Report from the Select Committee, printed 15th April, 1812.—Pages 9, 10.



various others dispersed through these subordinate books, purely of a commercial nature, and carried to no particular or general head. Such as

Warehouse stores.

Dead stock.

Interest on balances due for investment, and on monies borrowed for investment, when none was procurable from the public treasury.

Loss by remittance of dollars and specie.

Ditto by cotton thrown overboard—damaged—or outstanding, irrecoverable.

Ditto by transporting pepper.

Contingent expenses of weavers establishments.

Factory repairs, &c.

The denomination of these charges is of itself sufficient to prove their commercial nature; yet in no statement, which has yet been given of the Company's trade, do these appear. They must consequently therefore attach to the political head; and have hitherto been allowed, improperly and even unjustly, to swell out this branch of the Company's accounts.

When in Bombay, I framed from the subordinate books before referred to a general statement, in which I classed or rather added to the head of "Commercial Charges," all the dispersed charges above enumerated, so as to comprize the whole in one column. This account * shews the whole of these charges for *ten* years, or from 1800-1 to 1809-10, to amount to £.368,763; whereas, in Appendix 12, of the Third Report, the sum total of Bombay

* See Appendix, No. I.



commercial charges for *seventeen years* is only £225,862. It is hence clear, that the item of "Commercial Charges" lately brought forward in the Company's accounts, laid before Parliament, does not include all the charges of a commercial nature incurred by the Company, over and above those inserted in the invoices.

Whilst preparing this statement from the subordinate books, I got from the accountant-general's office an account of "Commercial Charges," framed in that department, as I presume, from the general books. This is probably confined to the head of "Commercial Charges" in those books, and does not include the various dispersed charges which I have, as above stated, classed under that head *. On comparing this, however, with Appendix 12. of Third Report for the same years in each, I find the charges in every year considerably to exceed those given in the Report. It is therefore confirmed to us, that the item of "Commercial Charges" in the Report in question, is considerably under-rated, and that a mass of other charges incurred by the Company, and purely of a commercial nature, are, owing to the manner in which their accounts are kept, wholly excluded from the commercial, and must therefore necessarily attach to the political, head.

In my examination of these books, I took occasion to inspect their profit and loss accounts, and found an invariable loss to have been incurred, not only at the Presidency, but at each of the subordinate fac-

* See Appendix, No. II.

tories; in other words, an uniform loss on *every* branch of the Company's Indian trade, subject to the Presidency of Bombay. The amount thus exhibited for ten years is £361,490 sterling, and is exclusive of bad debts and goods lost at subordinates, which were not written off when this account was framed*. Neither of the losses thus sustained are included in any of the accounts of the Company's trade lately laid before Parliament, with the exception only of what is comprised within the item of "Commercial Charges;" and these, as I have already shown, are much underrated.

From the books of the Warehouse Department at Bombay, I also extracted, with great labour, an account of the receipts, sales and issues, of the Company's woollens and metals for nineteen years, or from 1792-3 to 1810-11 inclusive, in reference to the trade between England and India; and on mercantile principles it also proves a loss to the extent of one million sterling †.

A set of statements of which I am possessed, exhibit also serious loss and great injury, as resulting from the Company's Cotton Trade from Bombay to China; but those which I have taken the liberty of submitting to the House, will probably be sufficient to show the necessity of a stricter examination into the state and result of the Company's trade than has yet taken place; and to prove how indispensable it is, that certain prescribed and definite rules should be laid down, for the entire separation of the Company's accounts, without which the object of

* See Appendix, No. III.

† Ibid. No. IV.



the Seventh Resolution will never be fully answered, nor will the accounts prepared under it ever give a true and correct view of the result of the Company's trade.

On my late return to England, I found a general view of the Company's commercial concerns had been laid before Parliament, in the Third and Fourth Reports of the Select Committee. Feeling a deep interest in the subject, I examined these with all the care and attention I was capable of devoting to them; and the statements I am now about to submit to the House, contain the result of my examination. The great intricacy and difficulty of these accounts are frequently adverted to by the Committee itself. They have been equally felt by every person who has attempted to scrutinize them. Many have abandoned the attempt in despair; and others satisfied themselves with the belief of their being quite incomprehensible. I do not, however, advert to these circumstances for any purpose of claiming merit to myself, but merely to express a hope, that they may be allowed to excuse any trivial errors committed in the arduous task I thus presumed to undertake.

[An examination of the most important document in the Third and Fourth Reports of the Committee, was then submitted to the House; but the remarks and explanatory statements, which accompanied them, for the sake of fuller and clearer elucidation of those



accounts, are published separately, in Part III.; it may suffice, therefore, here to say, that the result of the review, confined entirely to the official Reports on the table, proved the Company's trade to have been attended with heavy loss, and to have been the great cause of the increase of debt at home and abroad; that this increase, therefore, is erroneously ascribed to political expenses, for the defraying of *all of which* within the period there was adequate revenue from the territorial possessions; that *the home dividend could not have been paid in any one year without the aid of loans* :—in short, that the continued union of the political and commercial character of the East India Company, can only be attended with further loss to themselves, and greater injury to the public. Mr. R. then proceeded as follows.]

Without an entire separation of the commercial from the political character of the Company, I repeat, from experience and the fullest conviction of the truth, that the good government, so much wanted in India, and which the Court of Directors is so well qualified to give it, never will be felt in that country, nor will the commercial intercourse with this ever be extended as much as it might and ought to be. The advocates of the Company in this country assert, that their sovereign power is not exercised to favour their trade there; but this is a



complete fallacy, which none but the most uninformed, or the most prejudiced, can believe; if this were true, it would prove the East India Company and their servants to be a different race of beings from the rest of their species; but their own records fully and abundantly contradict the assertion.

It is alleged, that in Bengal every thing goes on smoothly, and the regulations are appealed to, in proof of the most rigid attention being paid to the interests and security of the weavers, and of the community generally; but let us look at these regulations. A Commercial Resident, with a large establishment of servants under him, some of them intended for coercive purposes, is placed at the head of every factory of weavers, by whom (as we have been emphatically and truly told, by one of the highest and most distinguished Indian authorities*) the intimation of a wish from a superior is received as a command. This alone would give the Commercial Resident an influence over the weavers, with which a private merchant would be quite unable to contend, whenever that influence, from whatever cause, might be turned against him; and in the rivalry and competition of trade, innumerable instances must occur to occasion it; but from the general poverty and distresses of these manufacturers, they are always ready to receive advances of cash from the Commercial Resident; and they are then, by the regulations, bound to work

* Marquis Wellesley.



exclusively for the Company. When the goods of any particular factory are not, as is sometimes the case, required for the Company's investment, the Resident is allowed to employ the weavers on his own private account. On these occasions, his official situation enables him to monopolize their labour and its produce.

From the influence, therefore, of the Resident on one hand, and the pecuniary wants of the manufacturers on the other, it is quite clear that they may be, whenever it is desired, kept in perpetual bondage to the Company's service; and when we thus see the industry of the country subject to the entire direction of the ruling authority, supported for the most part, and often irregularly, by advances from the public revenues, and all competition, the soul and essence of commerce, far removed from this delicate and feeble fabric, as if its very touch were ruin; who but the most prejudiced can possibly see or expect prosperity under such a system? It is really subversive of every principle, on which both experience and theory would teach us to found any rational hope of public good. Yet these are the regulations, and this the system, to which we are triumphantly referred, for all that is excellent and right in civil government! It is true, that a controul over the acts of the Resident is vested by law in the Judge of the district; but this is more nominal than real; for the natural operation of the system, will often defeat or evade the controul of the law; and how often, I would ask, is that law



likely to be appealed to by a people accustomed, as we are informed, to regard the wishes of their immediate superior as imperative commands *.

In my Lord Wellesley's celebrated letter, dated July 1804, and published in this country in 1812, the case under the Madras Government appears to have been still worse; for there no private merchant could provide himself with goods, except through the agency of the Company's officers. The main and avowed object of the system there, being, as my Lord Wellesley observes, an exclusive appropriation of the labour of the weavers, and the establishment of a controul over that labour, in order to enable the Commercial Officers to obtain the proportion of the goods required for the Company, at prices to be regulated by the officers themselves.

Though my Lord Wellesley ordered this system to be changed, and the Bengal system to be adopted at Madras, yet I have been informed by persons of the highest respectability lately returned from the latter Presidency, that no change has taken place for the better; that the spirit, though not the letter, of the whole system continues to operate; and that the industry of the country is still fettered by impolitic and vexatious restraints.

In Bengal the operation of the system may be somewhat milder; but it is there founded on the most erroneous principle; and must there, as in every other part of India, present an effec-

* See Note A. at the end.



tual obstruction to the progress of improvement.

In Bombay and the countries and factories subordinate to it, my own personal knowledge of the fact enables me to state, that not only the influence of power, but absolute coercion, are constantly used to procure goods, and often at inadequate prices, for the Company's several investments. The official Commercial Diary of our principal Factory, Surat, is full of instances in proof* : yet the regulations for this factory are taken from the Bengal Code, with no other variation than what is necessary to adapt them to local circumstances. To say, therefore, that no power is, nor can be, unduly exercised under the operation of these regulations to favour the Company's trade, is quite idle; for we have a flat contradiction in practice of the assertion, not arising from casual or insulated occurrences, but exemplifying, in an uninterrupted series of facts, the natural and even necessary consequences of the system itself; and if this exercise of power is less frequent or less arbitrary in Bengal, it can only be because the people are more abject, or situated as the weavers mostly are in the interior of the country, their means of communication with the enterprising private merchants of the principal sea-ports are more restrained, and they have therefore fewer temptations to evade, or are under a stronger necessity to comply with, the demands of the Commercial Resident. But under the same circumstances as

* See Appendix, No. V.



those detailed in the Surat Diary, and which the fluctuating demands of trade are not only likely, but ought properly, to produce, the same effects would certainly be experienced every where.

Formerly the trade of Surat was flourishing; it is now fallen into great decay. But when private merchants resorted to it for the purchase of piece goods, and the Company at the same time provided a considerable investment of these articles, the Commercial Resident was restricted to prices considerably lower than those of the market. There were at this time two descriptions of goods provided,—standard, and inferior,—and private merchants, it appeared, could afford to give a higher price for the inferior goods, than the Company allowed for the standard. The weavers had therefore a manifest interest in selling to the private merchant, and evading the demands of the Company; and the scenes of vexation, coercion, and punishment which ensued, were incessant. That part of the Diary which I had occasion once to examine, or from 1796 to 1810, is so full of instances of oppression and injustice, as would stagger any one to account for, in the conduct of otherwise good and honourable men, were they not easily traced to the system itself, and its necessary and inevitable influence on those, who are employed to carry it into effect. During the time of the Nabob's Government of Surat, his authority was resorted to in cases where coercion was necessary. Though he had a manifest interest in favouring the private trade, which was



exported through his own custom-house, and paid duties, (the Company's trade paying none to him) he was nevertheless persuaded, or intimidated, to issue a proclamation, requiring the manufacturers to sell piece goods to none but the Company's agents. This proclamation was some time afterwards disapproved by the Bombay Government, yet the spirit and principle of it were invariably acted upon. Peons were placed with the weavers to prevent their dealing with private agents, who were always ready to give them better prices than the Company; but every bargain of this description was, in the language of the Diary, called tampering with the Company's weavers; and, on this plea, we find several weavers, and private agents, apprehended, fined, and punished.

At one time the weavers refusing to work for the Company, and threatening to quit the town, orders were given at the gates to prevent any manufacturer from passing. At other times a particular class of weavers paid upwards of 8000 rupees in fines, in three years, to be excused working for the Company, and to be allowed to sell their goods in peace to others. Weavers, who had enlisted in the Sepoy corps, to avoid this oppression, were discovered, claimed of the commanding officers, and returned by force to their looms.

When our Government displaced that of the Nabob at Surat, a similar degree of coercion was still continued even under the authority of the Adawlut; for the Commercial Resident repeatedly declared,



that there were no other means of providing the Company's Investment, *at the rates prescribed.*

I have already observed how easy it is, in most cases, to get the weavers to receive advances of cash. They are then bound by engagements to the Company; and the Court of Justice, on application, enforces the contract. Many weavers, failing in these engagements, have been confined, and are known to have died in gaol. The weavers have also been known to refuse the Commercial Resident's advances, *and the Judge of Surat has been ordered, by the Bombay Government, to use his influence to get the weavers to receive them.* I remember another remarkable expedient to prevent weavers selling inferior goods to the private merchants: this was an order by the Bombay Government to appoint a police officer to examine the weavers' looms daily, and with authority to confiscate, at once, all the cloths that were not found to be of standard quality, or that required for the Company's investment *.

There are papers also on the Table of this House, to show how the Company carry on their cotton trade in Guzerat. They have a strict monopoly in the district of Broach, in that province. All the cotton is taken from the Ryot at a price below that of the surrounding market: it is, indeed, taken from him at a price, in the fixing of which he has no voice; but which is settled by the Company's

* For a more detailed account of these occurrences, vide Appendix, No. V.

servants, consequently by the buyers alone of the commodity. Every inducement is therefore given to the Ryots to smuggle their cotton out of the district; they have frequently attempted it; and Peons, and even military force, (a party of cavalry on one occasion) have been employed to prevent it, and to enforce this unjust demand of the government.

Since the Company have thus entered into the cotton trade, the authority of the Judge of the district is, through his Peons, exercised to secure all the cotton cleaners, the porters and carts for transporting cotton, the screws for packing it, and the boats for conveying it to Bombay. Numerous complaints have been made, that none of these conveniences could be got by private merchants, till the Company was first served; by which several sustained great injury, and the disappointment of losing the season for conveying cotton to Bombay, and being obliged to warehouse it to the northward, during the rainy or boisterous monsoon, when no boats can put to sea*.

In the year 1806, the Company, it seems only took two-thirds of the produce; but the Ryots and others were restrained from selling the remainder, till the whole of the Company's cotton was first cleaned and delivered, in the manner before described. The season in the mean time drew to a close; no private merchant would then buy, from inability to

* Vide Appendix, No. VI.

convey it to Bombay, and the cotton remained on the hands of the Ryots with very great loss. The Ryots represented the hardships they sustained; but it was no otherwise redressed, than by a recommendation from the Commercial Resident to the Bombay Government, that in future not merely two-thirds, but the whole produce of the country, should be required, at the reduced price fixed by the Company's servants.

Several petitions are also found on record from the cotton cleaners, as to the inadequate rates at which they were paid for their labour. Though the Commercial Resident admitted, in 1809, that they could get higher rates in the neighbouring district, I never could find that this just cause for complaint was ever properly redressed.

Besides the quantity of cotton thus monopolized in their own district of Broach, the Company require further supplies for their China trade. By withdrawing this considerable quantity in the first instance from the general produce of the whole country, the price of the remainder, particularly under a brisk competition for the purchase, is naturally enhanced. The demands of the Company's agent not being fully supplied from their own districts, he enters the general market to complete his orders; and, entering it as a competitor, who must at all events be served, he thus raises the price still higher. By these means the general trade has materially suffered: it has long ceased to be profitable; and many of the native merchants of Bombay, who were tempted to persevere in it, under



these disadvantages, have been utterly ruined. By the last accounts from China we are informed, that cotton has fallen in that country; and this circumstance, joined to the high price in India, threatens the complete extinction of this branch of trade *.

The Company have also a monopoly of the timber forests, a monopoly of salt, a monopoly of spirituous liquors, and a monopoly of tobacco, on the western side of India, all of which are grievously complained of by the natives.

In Bengal, it is also said, (there are letters, indeed, from the spot confirming the assertion) that the salt monopoly is felt as a grievous oppression; and that many lives are annually sacrificed to this manufacture, the salt-makers being compelled to work in it, and receiving only an inadequate compensation for their labour. It will probably be objected, that the salt monopoly constitutes no part of the Company's trade; that it is, on the contrary, a source of revenue, and was considered as such previous to the Company's possession of the Bengal provinces; the British Government having only, in this respect, followed the practice of its predecessors; but the concern being managed by revenue servants, and carried into the revenue accounts, will not alter its inherent character of monopoly. The salt is exclusively manufactured for the Company, paid for at a fixed price, and sold at an enormous profit †. However much, therefore, the circumstances of cruelty and oppression,

* See Note B.

† See Note C.



under which it was formerly conducted, may be now mitigated, it is so far still a compulsive system; and whether considered in the light of a tax, or a monopoly gain, the exaction appears to be particularly heavy. It may be thought to be more deserving of consideration and reform, if we reflect, at the same time, that it is raised upon one of the most necessary articles of life to all ranks of people; and that the supreme government have avowed their wish, and even expectation, of being able to extend this oppressive tax or profit (call it which you will) throughout the whole of the Madras provinces; that is, over countries far too poor to be loaded with additional taxes, and where it cannot be supported even by the hackneyed pretence of ancient usage *. The antiquity of the oppression indeed, even in Bengal, will be no justification of its continuance, to those who conceive our ancestors may have been fallible like ourselves, and who have no such prejudiced dread of innovation, as to think errors and abuses are not to be reformed, because they have antiquity to excuse them †.

Even the indigo planters loudly complain of the Company's interference. It appears from what has been published on this subject, that the Company, at the commencement of the indigo trade, lost upwards of £.80,000 by their own speculations in it. Deterred thereby from further prosecuting it on their own account, they then aided individuals with advances of money in India, to be repaid in Eng-

* See Note D.

† See Appendix VII.

land; but at a rate of exchange which may be said to have yielded a profit far exceeding the ordinary returns of commerce. With these advances, however, very extensive indigo works and factories were constructed by individuals; but when they had finished their works, and wanted more capital to carry on their speculations, the Company closed their purse to the planters, and again entered into the trade themselves, to the great injury, of course, of private competitors. Many letters, of late date from Bengal, represent the indigo trade as still suffering from the Company's proceedings. From all, indeed, I have seen or heard of the history of this trade, it would seem to be a series of interference at one time, and forced encouragement at another; both equally adverse to its permanent prosperity, and to the rendering our valuable possessions in Bengal, the source of exclusive supply in this article to all Europe, as might be anticipated from local and natural advantages, if the trade were left to its own energies*.

The Company's speculations in hemp have been equally ruinous to themselves, and injurious to the general interests of commerce. Their interference, indeed, must always particularly affect the import of raw commodities into England, by the enormous freight and charges which sovereign merchants will always be subject to, and which, under their monopoly, private merchants are obliged to pay to them; and likewise by raising the prime cost in India, so

* See Appendix VIII.



as to render that import a losing, which otherwise would be a profitable, concern to the private merchant; cotton and hemp, for example, have been exceedingly enhanced, by this interference, in their Indian cost *.

Pepper is another article which, while the Company continued to trade in it, was also taken from the inhabitants of Malabar at lower prices than the market-rates, and consequently, by a system of coercion, aided often by military force, of which I was myself a personal witness, in that province. This circumstance, with others, led to the rebellions which, for a series of years afterwards, marked our government in that quarter †.

In Travancore the Raja entered into contracts to supply three or four thousand candies of pepper at 117, and afterwards, I believe, at 125 rupees per candy. At this time the market-price of pepper was 160, 180, and 200 rupees. The Raja, throughout this period, continued to deliver his pepper at the contract price; and it was set off in account against a military subsidy, (which the Raja had also to pay to the British Government) until the year 1806. Whilst the Company, indeed, required pepper as an article of consignment to Europe, the Raja, in fact, paid his subsidy with this article, though

* See Note E.

† See Appendix, No. IX.



rated at the inadequate price specified in the contract. But when pepper was no longer desired by the Company as an article of trade, the price in Europe having also fallen below the contract price, the Raja was called upon to pay his subsidy, and in 1805 a greatly increased subsidy, in money. This led to all the unhappy and disgraceful proceedings, which of late years occurred in that country. So that whatever may be thought by prejudice or partiality of the great blessings, which the inhabitants of India owe to the Company's commercial dealings, their trade will long be remembered, at least in Malabar and Travancore, from the deeds of violence and blood, which it has there occasioned.

But to enumerate all the instances of this kind, which are well known and felt in India, would only be to tire the patience of the House: and to many, who now hear me, it will be unnecessary; to those, I mean, who are convinced, that evils like these are no more than the natural offspring of the system we are now discussing; and who will join me in the regret, that talents, such as are possessed by the Court of Directors and their servants, should be misapplied in the continuation of such a system; perhaps, indeed, the greatest of all its evils, is its tendency to bias the judgment, and pervert the understanding of honourable and well disposed men, inasmuch as, by its influence and operation, it constantly leads them to believe, that to be an act of prescribed duty, which sober and abstract deliberation on the case would



at once show them to be wrong. This is an evil, too, which no change of persons can correct. It is inseparable from the system itself. There is a natural propensity in most persons to approve, without examining, every system that has received the sanction of high authority; and, in executing their assigned parts under it, they have at least the satisfaction of feeling, that they perform a prescribed duty, or are gratifying that power which is most interested in its support. Others, who see its evils, are willing to compromise them in their own minds, by considering them as a price fairly paid for other parts of the system, supposed to be beneficial; whilst a certain degree of odium never fails to attach to those who have the courage or the virtue to notice its defects. With the continuance of the system, therefore, we are sure of the continuance of all its appropriate injuries, without the slightest prospect of actual remedy, till Authority itself shall proclaim necessity of a change.

How devoutly, therefore, is it to be wished, that those who acknowledge, in their reasoning, the truth of established principles, would no longer adhere to their practice, to antiquated and pernicious customs? Taken as an abstract truth, no one requires to be taught that monopoly is an evil, that the interests of the many are not to be sacrificed to those of the few; and that industry can flourish with freedom, and the certainty of enjoying the fruits of its labours. Yet where, let me ask, is the practice which steadily conforms to these

Nothing, certainly, can be more obvious, than that industry must in all countries, and among all people, depend on hope, on expectation, on the probability of success; for capital itself will not be employed to promote it, where these feelings do not exist as to the general result. The principle is, doubtless, so strong in human nature, as to resist many discouragements, and to contend with a multitude of obstructions; it possesses moreover an elasticity which causes it to spring with fresh vigour whenever the pressure of these obstructions is removed; but a long continuance of them, it must also be remembered, induces habits on which reaction may produce no effect: for where a people have laboured for ages under the severities of despotic sway; where a system prevails which renders the fruits of labour precarious, and subject to vexatious interference on the part of power; and where the immediate possessor is insecure of a free and full enjoyment, men are reared from infancy, without any of those hopes and anticipations of better times which are the main spring of industry and Country perity; indolence and languor take possession of the mind, and to the hopelessness of perhaps, comforts and blessings, succeeds an indifference to life itself, with a concomitant train of moral duties of ties always observable most under such systems, by which it requires no other cause to account for them. These effects are sufficiently obvious in Italy, when we remember the despotism under which our country has so long groaned, when we see that the same system of governme

established by the Mahomedan invaders, has been continued, with few improvements, by ourselves; when we look at the principle and amount of our taxation, leaving to the mass of the people little or no hope beyond that of a bare subsistence; when we reflect on all the vexations to which the trade of the country is subjected, as exemplified in the recorded history of that of Surat * and other places, the attempted monopoly of the manufacturers labour, the forced diminution of their profits, and the frauds, evasions, and concealments, they are in many instances driven to, in order to obtain the market value of their industry; in short, when we thus see a system exhibiting, in all its parts, the exercise of an arbitrary and rigorous power, need we seek any other cause to account for the habits of the people leading them, to “live all their days upon rice, and to go only half covered with a slight cotton cloth†?” With these causes, and their inevitable effects before us, it is no small trial of our patience, to hear men of talents and observation, yet blind to the defects of their own institutions, describe the innate simplicity of the Indians, as *naturally* averting them from the comforts and luxuries of life, and their habits, so fixed, as to be utterly incapable of change.

I do not say that the superstitions of the Natives have no share in their debasement; but I do say,

* See Note F.

† Printed papers respecting Renewal of the Company's exclusive Privilege, page 234.



they are neither the chief nor the primary cause. Superstition will tend to perpetuate the moral depravity and slavery of a people; but it is itself an effect of oppression and poverty: and if the elastic powers of the mind were relieved from the overwhelming influence of other causes which aggravate the wretchedness and confirm the degradation of India, natural expansion and improvement in views, pursuits, and intellect, would ensue, and afford the best, nay the only chance, of finally subduing the superstition itself.

It has been remarked, that under despotic governments, and even in a debased and corrupted state of manners, it is not uncommon to observe considerable progress in those arts, which address themselves to the imagination, or are for the most part conducive to mere amusement, such as music, poetry, painting, &c.; but never (I think it is said) in those higher sciences and pursuits which improve the understanding and the heart. For these improvements there must be a field in which the active qualities of the mind *generally* may be allowed the freest range. But this is the field in which industry and prosperity would equally delight; moral improvement and that of the condition of the people being thus assignable to a common influence, may be thought to have a natural connection, from which the progress of the one can hardly be expected, but under circumstances equally favourable to that of the other. In this view it would be well if the great advocates for the introduction of christianity into India,

were also to consider more fully the observations which have been made, by very high authorities, on the history and progress of the human mind; and it would be a blessing of inestimable value, if they were consequently led to give their powerful aid to the removal of those obstructions, which in debasing the condition of the people, equally and permanently oppose the accomplishment of their own favourite wish.

It is the condition of the people, I repeat it, that must be first improved; the energies through which alone it can be effectually ameliorated must be called into exercise; the mind, in short, must be relieved of that habitual dread of power, which deadens every active faculty, ere it can be fitted to receive improvement from the divine precepts of the gospel: in its present inert state, force, or poverty, or interest, may make converts; but they, like their predecessors, will be christians in name alone, humbled rather than exalted by the change, and, from a feeling of self degradation, more than ever prone to the depravities of our nature. We may, hereafter, have to boast of numbers, but till the moral energies of the people have greater means of development, we may have to blush for the examples, possibly for the acts, which misguided zeal shall have produced; and to regret, when too late, that we mistook the only course which, if steadily pursued, would have conducted our steps to certain success.

Hoping, therefore, that the condition of this in-

teresting people may, at so critical a juncture as the present, not be overlooked by Parliament; and having given my views of the only method, through which either their happiness or moral improvement can be materially promoted, I shall here close with repeating my former wish, that the Company's commercial system may, as soon as possible, be brought to an end, and that their knowledge and experience may then be wholly directed to their political affairs; from which as much advantage may be anticipated to result to themselves, and to the parent state, as to the countries they are deputed to govern.

And as twenty years more of exclusive privilege will prolong, beyond what is necessary, the evils I have on this and a former night endeavoured to describe, I object to it as the period of the new charter now proposed to be granted. Half that term is, in my humble opinion, quite sufficient for all the useful purposes intended to be secured, by a gradual abolition of the Company's monopoly.

NOTES.

Note A. page 15.

THE following extract of a letter from a commercial house in Calcutta, to their correspondents in Bombay, dated 14th Nov. 1808, shows the restraints to which the internal trade and manufactures of Bengal are liable, from the Company and their servants, under the operation of these boasted regulations.

"The Company have now prohibited their Commercial Residents from making any silk on their own account, which is a sad disappointment, as we had made engagements for a considerable quantity, and *they (the Residents) have it in their power to provide it under more favourable circumstances than any individuals.* The price has risen very considerably; the same silk we got two years ago for $8\frac{1}{2}$ we shall pay 10 for. *When the first orders were received, the Residents engaged all the private filatures for the Company,* so that very little can be made, and what is made by natives, (that is, independent of the Resident,) is little to be depended on."

In Nos. VIII. and X. of the Appendix, will be found other letters, *from Bengal itself*, to show that the private merchants in that quarter have very different notions from the advocates of the Company's trade, in respect to the wisdom of their commercial regulations, the justice of their speculations, or the benefits of their interference.

Note B. page 22.

A somewhat analogous effect is produced by the Company's interference in the tin trade in this country; a brief notice of which may serve to elucidate the preceding observation.

In a printed letter from the Chairman, and Deputy Chairman of the Court of Directors to the President of the Board

of Controul, dated March 21, 1812; being in reply to a call made on them in behalf of the Cornish miners, to export 1200 tons of tin annually, at certain periods, it is stated, "That the price of Cornish tin, in the year 1750, was about £.74. 10s. per ton in London, at about which price it continued, with some fluctuations, until the year 1789, the date of the agreement with the Company, in which year the average price was £.70. 10s. per ton in London.

"That in consequence of the arrangement with the Company in 1789, whereby the surplus quantity of Cornish tin has been taken out of the London market, the price of that tin has risen to £.100, £.120, £.150, and even £.171 per ton; whereby the miners have been enabled to work their deepest mines, and to meet the pressure of the times, inasmuch that the agency of the Company, in this particular, has been termed the political salvation of the county."

The Chairman and Deputy Chairman then go on to offer to export 800 tons of tin at £.80 per ton, and 400 tons at £.75, although the calculations contained in the same letter evidently show, that at this rate the Company must lose by the speculation.

In the years 1795-6, we have it on record, that Cotton was about 110 rupees per candy. Of late years, in Bombay, it has been 180 rupees per candy; and this in a great measure is owing to the Company's interference in the trade, and their withdrawing in the first instance, a large quantity of cotton from the market, which materially enhances the price of the remainder. For the quantity so withdrawn the Company only pay 120 rupees per candy, and yet lose by it, as they also do by their tin. There is one difference in these two trades, that the cotton is forced from the people, but the tin contributed voluntarily; yet the effect, in both instances, is the same on the general interests of commerce, and of the community. A certain quantity is absorbed by the Company and embarked in a losing trade, whilst every other person interested in the commodity suffers by the great enhancement of its price. However much, therefore, the Cornish miners may suppose themselves obliged to the company for this inference, I cannot think the London dealers in tin, or the consumers of the commodity, can feel equally obliged; independent also of the general checks to consumption occasioned by this unnatural enhancement of price, there is danger of extinction to the trade

itself, when the price becomes so high as to admit of cheaper supplies from other quarters.

From authentic information lately procured, I find that this effect has in some respects been already experienced. Owing to the rise above mentioned in the price of tin, some branches of the manufacture at Birmingham have been considerably reduced, and in particular that of buckles is lost to the town. The use of pewter has from the same cause also considerably and notoriously diminished throughout the kingdom. It should likewise be kept in mind, that Banca tin (as stated in the same letter of the Chairman and Deputy Chairman) may be procured at a fair current price of £.67 to £.76 per ton. This is less than what the Company themselves pay for Cornish tin in England, and scarcely one half the cost of Cornish tin to the European manufacturer, which is £.133 per ton. The Banca tin is also superior in quality to the Cornish tin, and greatly preferred in the Continental markets. Independent therefore of the absurdity of the Company going to Cornwall to buy tin at £.80 per ton, when they can get it within a few days sail of the China market at £.67, there is certainly, from the circumstances above stated, no inconsiderable danger of further injury to the tin trade and manufacturers of this country, of which the Company's interference is thus the sole and obvious cause. A similar danger, and from the same causes, is to be apprehended in respect to the Bombay cotton trade.

These, however, are the principles on which the Company's trade ever has been, and ever will be, carried on. Equal and reciprocal advantage, the very soul of commerce, is lost sight of, and the monopolizing principle of promoting the advantage of one favoured party, to the material injury of all the rest of the community, is substituted. Trade, in order to flourish, requires no favour nor compulsory aid. When it is the interest of exporters to send out a commodity, they will do it without any law or order of council to stimulate them. When it is not their interest to export, it never can be the interest of the nation to force it, with the consequent loss which must ensue to the exporter. The motives of the Company in this transaction may be good enough, but their whole principle is fallacious: the extensive mischief occasioned by it to the consumers of tin, and the community generally, is far more than any supposed advantage to the Cornish miners can be pretended to counterbalance. A patriotic plea is assumed to justify the measure; but it is an effectual method, if

carried to its fullest extent, of ruining, instead of promoting, the national interests.

The same reasoning is equally applicable to their woollen trade, which, as far as I can perceive, is every where a losing one, and therefore forced on very false notions of patriotism.

Note C. page 22.

In the Second Report of the Select Committee, Appendix 18, we are informed, that the contract price for the manufacture of salt paid by the Company to the Molungees, or makers, is about 50 rupees per 100 maunds. The price at the Company's sales averages, I understand, about 500 rupees per 100 maunds. At this rate the price of this indispensable article of life is thus raised to the consumer about 500 *per cent.* above its natural cost.

Note D. page 23.

Extract of a letter from the Governor-general to the Government of Madras, dated Jan. 1800: "We have no hesitation, however, in authorizing you to form your permanent settlement on the principle, that the Company will, at some period of time, possess the exclusive right of manufacturing salt from Ganjam to Cape Comorin." *Second Report, App. 20.*

Note E. page 25.

Calculation on the prices of cotton.

	£.	s.
Tonnage in Company's regular ships	40	0 per ton.
———— in Company's extra ships...	30	0 ditto.
———— in private ships (India built)	22	15 ditto †.

† These are all considered as *war* freights.

1 Ton of cotton averages $1\frac{1}{2}$ candies, or 1372 lbs.	<i>d.</i>
at £.40 0s. per ton, =	6,997 per lb.
1 Ditto.....at . 30 0 ditto.....	5,247 ditto.
1 Ditto.....at . 22 15 ditto.....	3,979 ditto.

Thus the difference between lading cotton on the *regular* Indian men and *private* ships, is 3,018 *d.* per lb. in favour of the latter, or 43,132 per cent.; and between lading it on Company's *extra* ships and *private* ships 1,268 *d.* per lb. or 24,166 per cent. Supposing cotton to cost on board 180 rupees per candy (of 784 lbs.) the value of 1 lb. (at 2s. 3*d.* per rupee) is 6,199 *d.*; hence the freight in a *regular* Indiaman amounts to 112,873 per cent. on the original cost, while that on *extra* ships is 84,642 per cent. and on *private* ships no more than 64,188 per cent.

It is fair to presume, that when *regular* ships pay a premium of 6 per cent. that *extra* ships, with convoy for the *voyage*, will pay the same, and without convoy 9 per cent.; *private* ships, with convoy, would then pay 7 per cent. and without convoy 10 per cent. As however the shipper has to insure the *cost only*, the difference in the premium of insurance bears no material proportion to the difference of freight.

Without regarding the insurance, therefore, the rate of which must depend on circumstances, it appears that the shipper of cotton, in order to be indemnified from loss, must receive in the London market, independently of the usual mercantile charges and Company's and King's duties,

For 1lb. of cotton by a regular ship	6,199 <i>d.</i>
Freight.....	6,997 <i>d.</i>
	13,196 <i>d.</i>
1lb. ditto, by an extra ship...	6,199
Freight.....	5,247
	11,446 <i>d.</i>
1lb. ditto, by a private ship...	6,199
Freight.....	3,979
	10,178 <i>d.</i>

No notice is here taken of interest, because, as it attaches to the first cost only, it will bear alike on all; unless, indeed, the commodity should remain long unsold after its arrival, in which case that which pays the largest freight, would also be subject to the heaviest charge for interest.

Having thus shown the rates at which cotton may be imported by regular, extra, and private ships, at the *present* Indian price of that article, we will submit an estimate of its cost, supposing the price in India to fall to what may be considered its natural rate. We have it on record, that 70 rupees per candy, or 2,410*d.* per lb. will yield to the cultivator a profit equal to that derived, by the same class of people, from the cultivation of grain. In 1795-6 the price of cotton to the exporting merchant was about 110 rupees per candy, or 3,788*d.* per lb. Supposing it, therefore, to be again reduced to this price the calculation will then stand as follows :

	<i>d.</i>	<i>d.</i>	Total Cost. <i>a.</i>
1 lb. of cotton } as above... }	3,788 + freight per regular ships	6,997	= 10,785 <i>d.</i>
	3,788 + ditto per extra ditto	5,247	= 9,035
	3,788 + ditto per private ditto	3,979	= 7,767

In this case the freight will be

By regular ships 184,714 per cent. on the original cost.

By extra ditto 138,516 ditto.

By private ditto 105,042 ditto.

It will be observed, that in the preceding calculations I have considered the freight by private ships, by which I mean India-built ships navigated with Lascars, at £22. 15*s.* per ton; but the private merchants of this country assert, and probably on just grounds, that they can furnish shipping at £18. per ton, which would reduce the freight 20,884 per cent. and the cost of the cotton in England would be thus reduced to 6,936 *d.* per lb.

That the Indian prime cost of cotton may be again reduced to the natural price of the commodity, there is no good reason to doubt, if the trade be rendered quite free, and the cultivation not hampered by impolitic vexations or restraints. The quantities now produced in the opposite extremities of India, viz. Guzerat, and Bengal, and the fitness of almost all the intermediate countries for the production of this article, of the best quality, would be a sufficient warrant of the effect here anticipated. When the Company traded in pepper from Malabar, and carried away annually large cargoes of it, the price to private merchants was 175 to 200 rupees per candy. The cultivation of pepper having been encouraged in the

eastern islands, and the company having withdrawn from the trade, the price of pepper in Malabar is now 56 *rupees per candy*.

I do not say that, in both these cases, the Company's interference in this trade has been the *sole* cause of the excessive increase of price; but it has been a powerful cause, in the manner explained under each head respectively. Pepper, however, having fallen from a monopoly, to its natural price, there is no good reason why cotton, hemp, and other articles in demand for home manufactures, might not, under similar circumstances, follow the same course; and now, I presume, but those whose interest suspends their judgment, will doubt the general advantage of natural, over monopoly, prices, or assert, in these days, that monopoly prices are the only means of "political salvation," (vide p. 34). If the natural prices, however, of these commodities should ever be restored, it will be evident to every merchant, from the preceding calculations, that India cotton may be imported into England at about 7*d.* per lb. for prime cost and freight; and therefore at less than 10*d.* per lb. including every charge; whilst Concaney (the best) hemp would cost about £.40 per ton. These rates are considerably below what we have long been obliged to pay for our supplies from America and Russia: and it is consequently submitted to those, who have the power of deciding the question, whether it would not be wise to favour the growth of our own colonies, by the only encouragement required, entire freedom, which would certainly enable India, to undersell the rest of the world in these and others of its raw productions.

Note F. page 29.

Because Surat is given as an example, it is not to be supposed the evil is confined to that spot. Lord Wellesley's celebrated letter of 19th July, 1804, published in this country in 1812, shows it to have extended throughout the whole of the Madras provinces. The mode in which an evil of this kind spreads is well described by Mr. Bentham; and it is impossible not to be struck with the strong resemblance of his picture to actual occurrences in the country we are treating of.

"Un premier acte de violence produira d'abord un certain degré d'apprehension; voilà déjà quelques esprits timides découragés. Une seconde violence qui succede bientôt repand une alarme plus con-

siderable. Les plus prudens commencent à resserrer leurs entreprises, et abandonnent peu-à-peu une carrière incertaine. A mesure que ces attaques se reitèrent, et que le système d'oppression prend un caractère plus habituel, la dispersion augmente, ceux qui ont fui ne sont pas remplacés ; ceux qui restent tombent dans un état de langueur. C'est ainsi qu'à la longue le champ de l'industrie, battu par ces orages, peut enfin se trouver désert."—"Une atteinte portée aux propriétés d'un seul jette l'alarme parmi les autres propriétaires. Le sentiment se communique de proche en proche, et la contagion peut enfin gagner le corps entier de l'état." Vol. ii. p. 41, 42.



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APPENDIX.



LIST OF APPENDIX,

SECOND SPEECH.

No. I. *Statement of the actual Charges incurred by the Company on their Trade, and in their several Commercial Factories at, and subordinate to, the Presidency of Bombay.*

II. *Statement from the Accountant General's Office, Bombay, of the Commercial Charges incurred there, and not included in Invoices, for Eleven Years, or from 1799, 1800, to 1809-10 inclusive; to which is annexed, a Comparison of the Amount for Ten Years with Appendix 12, of the Third Report.*

III. *Statement to show the Balance of Profit and Loss, or the net Profit and net Loss, in each Year, on the Company's Commercial Concerns, at the Presidency of Bombay and its subordinate Factories, as exhibited in the Official Books of each of those Stations.*

IV. *Statement of the Company's Woollens, and Metals, &c. consigned to Bombay, with the disposal thereof by Sale and otherwise, as far as the same is exhibited in the Books of the Warehouse Department; to which are added, the usual Mercantile Charges of Customs, Insurance, and Interest, in order to show the Result,*



LIST OF APPENDIX.

as accurately as it can be given, on Mercantile Principles, from 1793 to 1810-11, inclusive.

- V. *Abstract of a Series of Proceedings connected with the Provision of the Company's Investment at Surat, taken from the official Diary of that Commercial Factory, and calculated to show, by positive facts, the necessary Consequences of the Company, as Sovereigns, interfering in the Internal Trade of their own Dominions.*
- VI. *Copy of a Letter from a Native Agent, in Surat, to his Principal in Bombay, on the Subject of the Guzerat Cotton Trade, dated August, 1808.*
- VII. *Extracts of Letters relative to the Salt Monopoly, &c. in Bengal.*
- VIII. *Papers on the Subject of the Indigo Trade in Bengal.*
- IX. *Extracts in respect to the Pepper Trade in Malabar; with a concise Abstract of certain Proceedings in Travancore.*
- X. *Letters complaining of certain Grievances sustained by the Private Trade in India, particularly at Calcutta and Madras, dated in 1812, and enclosed in a Letter to the President of the Board of Controul, dated May 20, 1813.*

APPENDIX I.

STATEMENT of the actual Charges incurred by the Company on their Trade, and in their several Commercial Factories at, and subordinate to, the Presidency of Bombay, from 1800-1 to 1809-10 inclusive.

PRESIDENCY.

Import Department.	A. Commercial Charges; to which are added Warehouse Stores, and other Items of commercial Charge, classed under separate Heads in the Books, but not included in any Invoice.	Charges on Merchandize, together with that Portion of warehouse Stores which are included in Invoices.	Charges on Cotton Investment of 1801-2, 1806-7, 1807-8, and 1808-9; of which separate Accounts are kept in the Books.
	Rupees.	Rupees.	
1800-1	46,292 0 11	1,44,100 1 96	
1801-2	38,720 3 05	24,775 1 60	
1802-3	37,498 0 23	40,678 3 01	
1803-4	45,149 3 41	1,321 1 88	39,665 0 06 B.
1804-5	61,580 0 90	19,601 0 30	
1805-6	48,485 0 50	10,920 3 53	
1806-7	1,01,246 0 42	68,498 0 43	
1807-8	1,42,398 3 83	84,36 1 71	
1808-9	52,352 3 18	4,231 1 96	1,11,391 1 91
1809-10	80,401 1 41	787 2 0	2,12,923 3 50
Export Department for 1809-10	6,54,125 1 04	3,23,360 2 43	3,63,980 1 47
	1,90,753 1 82	17,298 3 19	2,31,669 3 29
	R ¹ 8,44,878 2 86	3,40,659 1 62	5,95,650 0 76

REMARKS.

A. Commercial charges in these books are written off to "Bombay General Books," though all of a nature to be carried to Profit and Loss; as the charges properly are at the subordinate factories (Surat excepted). By this, and other contrivances, the Bombay books are made to show a gain as per statement, N^o III. when there

is an actual loss incurred annually, and that to a considerable amount.

B. This charge refers to the cotton investment supplied by the Cotton Committee in 1801-2. It is all I find in the books under this head, though certainly far short of the amount incurred; the charges being for the most part blended with the price of cotton, so as not to be now separated.

SURAT.

	A. Commercial Charges, and others, not included in Invoices.	Charges on Merchandize, including Account, Commission to the Commercial Resident charged in Invoices.
	Rupees.	Rupees.
1800-1	91,208 2 25	48,511 3 70
1801-2	60,041 0 30	14,004 3 74
1802-3	26,728 3 26	13,808 1 25
1803-4	38,194 3 52	26,799 0 28
1804-5	28,759 0 30	35,250 0 91
1805-6	22,082 1 30	31,714 3 24
1806-7	32,605 0 40	1,45,501 1 83
1807-8	25,844 0 57	1,75,544 3 63
1808-9	51,192 3 04	3,57,105 2 86
1809-10	28,449 0 42	2,92,581 2 79
R ^a	4,05,105 3 36	11,41,723 0 23

REMARKS.

A. To the usual commercial charges contained in this column are added the charges exhibited in the Surat commercial books under *Pension and Charitable Fund*, *Dead Stock*, together with such items taken from *Account Interest*, and *Profit and Loss*, as are actual charges on the trade, and would be inserted as such in the invoices of private merchants, viz. interest on delayed payments, or balances due on account of the investment, (*N. B.* This is different from the interest on the sums originally borrowed wherewith to provide investment.) Loss by remittances of dollars to Surat; ditto by cotton thrown overboard in the river, wasted, or outstanding irrecoverable.

Commercial charges in these books are written off in each year to Account Current Bombay, and not to profit and loss, as at the other subordinates.



MALABAR.

	A. Commercial Charges, and others, not included in In- voices.	Charges on Mer- chandize.
	Rupees.	Rupees.
1800-1	34,794 3 23	46,830 1 35
1801-2	31,168 2 88	49,656 3 01
1802-3	31,993 3 20	46,678 2 61
1803-4	46,669 3 38	75,267 3 37
1804-5	28,356 3 45	34,174 2 96
1805-6	38,330 0 66	30,010 0 77
1806-7	29,651 2 52	9,212 1 09
1807-8	13,136 0 57	1,889 3 34
1808-9	7,037 2 86	490 3 48
1809-10	4,238 3 61	787 2 48
R:	2,65,378 2 36	2,04,099 0 46

REMARKS.

A. To this head are added dead stock, and stores or articles recently purchased for the commercial department, contingent expenses of weavers' establishment at Paulghat and Durmapatam—Loss by transporting pepper.

Commercial charges are written off in these books to profit and loss.

BUSHIRE.

	A. Commercial Charges, and others, not included in In- voices.	Charges on Mer- chandize.
	Rupees.	Rupees.
1800-1	12,208 1 43	
1801-2	15,991 1 75	13,565 2 86
1802-3	9,369 2 0	
1803-4	9,342 3 53	104 0 63
1804-5	14,759 0 08	
1805-6	16,710 1 66	
1806-7	16,685 3 01	2,133 3 56
1807-8	10,190 1 56	1,542 0 08
1808-9	6,335 2 96	275 0 97
1809-10	7,650 1 85	539 0 07
R ^a	1,19,243 3 53	17,960 0 17

REMARKS.

A. Commercial charges, or, as they are termed in these books, charges general and civil charges, include office establishment, factory establishment, contingent charges, factory repairs, allowance to the resident.

The three first years are taken from the general books in the accountant's office. The year 1807-8 is taken from an annual statement of receipts and disbursements; there being no books in office for these years.

Commercial charges in these books are written off to profit and loss.



APPENDIX I.

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BUSSORA.

	A. Commercial Charges, and others, not included in In- voices.	Charges on Mer- chandize.
	Rupees.	Rupees.
1800-1	25,602 2 94	
1801-2	60,488 1 74	
1802-3	36,026 2 84	
1803-4	31,160 1 51	
1804-5	60,074 3 26	45 3 75
1805-6	21,999 3 22	
1806-7	39,086 1 03	31 0 50
1807-8	42,165 0 10	115 2 54
1808-9	38,648 2 64	22 2 0
1809-10	30,549 2 78	
R ¹	5,65,802 1 06	215 0 79

REMARKS.

A. The two first years are taken from annual statements of receipts and disbursements, there being no books at the Presidency; and I have extracted therefrom the charges for allowance to resident and factor, office establishment, pensioners, account presents, contingent charges, factory establishment, dead stock, and charges transmitting packets and purchase of camels and stores. As this residency may be considered partly political and partly commercial, I have only taken one-half of the *general* disbursements for the commercial charges, leaving those purely political to be wholly attached to their own head.

The above-mentioned charges in these books are written off to profit and loss.



ANJENGO.

	A. Commercial Charges, and others, not included in In- voices.	Charges on Mer- chandize.
	Rupees.	Rupees.
1800-1	53,697 0 33	9,635 1 74
1801-2	6,729 3 23	91,756 2 50
1802-3	22,973 1 79	53,023 1 71
1803-4	29,636 0 04	19,690 0 72
1804-5	26,006 0 7	33,121 3 36
1805-6	41,688 0 25	42,053 1 62
1806-7	24,259 0 20	49,488 2 69
1807-8	16,667 0 60	35,647 3 98
1808-9	19,672 2 23	4,545 0 74
1809-10	13,725 0 0	585 3 0
R	2,55,054 2 74	3,39,548 1 96

REMARKS.

A. To this head are added factory repairs, annual present to the Rajah of Travancore, loss by transporting pepper-stores purchased for commercial uses.

The commercial charges, and charges on merchandize for 1803-4, are taken from a statement of actual receipts and payments found in the accountant's office, there being no books at the Presidency for this year.

Commercial charges are written off in these books to profit and loss.

CAMBAY.

	A. Commercial Charges, and others, not included in In- voices.	Charges on Mer- chandize.
	Rupees.	Rupees.
1800-1	7,790 0 0	406 3 08
1801-2	12,216 0 54	
1802-3	8,842 0 0	
1803-4	6,920 1 0	23 2 0
1804-5	15,272 1 79	4,977 2 65
1805-6	13,745 2 0	12,003 2 55
1806-7	14,684 0 92	7,502 3 64
1807-8	15,644 1 62	11,798 0 50
1808-9	16,741 2 48	12,523 1 21
1809-10	15,317 0 0	11,871 3 91
R	1,27,173 2 35	61,107 3 54

REMARKS.

A. For the first two years the sums in these columns are taken from the general books at the Presidency, and for 1802-3, 1803-4, 1804-5, and 1805-6, from annual statements of actual receipts and disbursements, there being no Cambay books kept till afterwards.

The column of commercial charges here includes ordinary disbursements, pay to pensioners, allowance to the warehouse on account of investment, factory charges, Pattamar charges, charges extraordinary.

There is no profit and loss account in these books, whence commercial charges are written off to account current, Bombay.



SEPARATE CHARGES on Account Timber, Forests, &c.

	Commercial Charges.	Charges on Merchandise.
Beypoor Saw-mill, A.	Rupees.	Rupees.
1801-2.....	8,443 2 32	
1802-3.....	11,826 0 96	
Charges on Malabar Commercial Resident's Books, on Account Timber Forests.		
1805-6.....	28,674 3 59	
1806-7.....	11,697 0 66	
1807-8.....	17,962 2 71	
1808-9.....	817 0 0	
Conservator's Books.		
1807-8.....		608 3 84
1808-9.....	22,546 1 29	3,227 2 96
B. 1809-10....	26,028 2 29	5,145 2 91
Civil Paymaster's Books.		
1807-8.....	48,882 0 67	
—	10,228 3 66	
—	4,033 0 67	
—	3,550 0 0	
1808-9.....	18,972 2 66	
—	13,442 0 0	
1809-10.....	16,136 0 0	
—	4,186 0 0	
—	5,000 0 0	
	252,577 1 48	8,982 1 01
Amount of Freight paid at the Presidency on consignments of Timber and Plank from Malabar, Anjengo, and Canara, from 1800-1 to 1809-10 inclusive.....	642,687 2 38 c.	
R.	8,95,264 5 86 D.	

REMARKS.

A. These sums properly constitute the balance of profit and loss, or net loss in this concern. The real charges would be considerably more; but they are so blended in the books with advances for the purchase of timber to be sawed at the mill into plank, as not to admit of being accurately separated. They are merely the balances of account, or difference between the advances for salary, establishment, &c. and purchase of timber on the one side, and the deliveries of plank on the other, at thirty rupees per 100 Guz. This therefore is only the net charge incurred by the Company, whilst the mill was under their management, and is exclusive of the enormous loss by loans and advances to Mr. Mackonochie.

B. These are sums paid at the Presidency on account of charges in the timber forests in Malabar and Canara, and in those to the northward.

C. The particulars of this sum of freights are explained in the annexed extract from the marine storekeeper's books.

D. Sum total of charges not included in invoices.....	Rupees. 8,95,264
Deduct the computed gain on all the consignments of timber and planks by Company's servants from 1800-1 to 1809-10 inclusive, as per particulars in the annexed extract.....	3,63,415

Leaving for the balance of profit and loss, or net loss on this account..... 5,31,849

APPENDIX I.

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EXTRACT from Marine Storekeeper's Books.

		Receipts of Timber and Plank.	Freight paid at the Presidency.
		Rupees.	Rupees.
1800-1	From Commercial Res't in Malabar	7,335 3 16	
	Ditto.....ditto.....ditto....	56,014 0 72	30,293 0 0
	Ditto.....ditto.....ditto....	603 1 13	
1801-2	From Commercial Res't in Malabar	583 1 33	490 2 40
	Ditto.....ditto.....ditto....	64,168 2 21	48,676 0 87
1802-3	From Commercial Res't in Malabar	20,492 2 63	13,549 1 45
1803-4	From Commercial Res't in Malabar	22,366 2 22	17,073 2 41
	Ditto.....ditto.....Anjengo	40,199 3 15	50,071 3 83
	Ditto.....ditto.....Surat....	50,924 0 48	
1804-5	From Commercial Res't at Anjengo	1,07,110 2 03	75,504 3 98
	Ditto.....ditto.....Malabar	30,051 1 22	23,871 3 21
1805-6	From Commercial Res't at Anjengo	1,10,370 2 12	51,601 2 48
	By Ship Cornwallis (Masts).....	22,195 0 0	2,396 3 50
	Ditto.....Timber Plank	53,672 0 0	
1806-7	From Commercial Res't at Anjengo	1,29,282 3 51	91,760 3 53
	Ditto.....ditto.....Malabar	14,191 2 13	
	Ditto.....ditto.....Surat....	32,915 1 28	
1807-8	From Commercial Res't in Malabar	881 3 35	
	Ditto.....ditto.....Anjengo	79,826 0 48	71,608 0 50
	Ditto ditto Conserv. in Malabar	26,686 3 06	
1808-9	From Res't in Malabar, Conserv.		
	ditto, and Res't at Anjengo.....	57,630 0 91	32,669 1 90
	Ditto Conservator in Malabar ...	5,562 3 56	
	Ditto Capt. Thatcher, Inspector of the North Forest.....	21,107 3 20	
1809-10	From Malabar Conservator (Poon Spars).....	1,272 2 53	1,199 3 32
	From Commercial Res't in Malabar	1,826 3 98	
	Ditto ... Malabar....Conservator	68,410 2 74	
	Ditto Commercial Res't at Anjengo	67,955 3 68	1,05,787 0 42
	Inspector of North. Forests	87,182 3 86	17,950 1 10
	Conservator in Canara.....	7,853 2 23	8,181 3 48
	Ditto.....ditto.....	5,710 0 21	
		11,74,387 3 72	6,42,687 2 38
		6,42,687 2 38	
	R ^s 18,17,075 2 10 A.		

REMARKS.

A. This is the price of the timber with charges on merchandize, commission, and freights, to the presidency, supplied by the Company's commercial residents, conservators, and inspector, for the last ten years. As the Company's books exhibit a profit on the sale of timber, I have allowed the whole of that profit on the sum total of this supply: that is, supposing it all to have been sold, which, at 20 per cent. on the cost and charges, amounts to 3,63,415 rupees.

N. B. The column of freight includes only the freights from Anjengo, Malabar, and Canara. The freight on the Surat timber is included in the invoice prices.

ABSTRACT—Charges, Ten Years.

		Rupces. Qrs. Rs.	Rupces. Qrs. Rs.
PRESIDENCY:			
Commercial Charges.....	8,44,878 2 86		
Charges on Merchandize.....	3,40,659 1 62		
Cotton Charges.....	5,95,650 0 76		
			17,81,188 1 24
SURAT:			
Commercial Charges.....	4,05,105 3 36		
Charges on Merchandize.....	11,41,723 0 23		
			15,46,828 3 59
MALABAR:			
Commercial Charges.....	2,65,378 2 36		
Charges on Merchandize.....	2,94,999 0 46		
			5,60,377 2 82
BUSHIRE:			
Commercial Charges.....	1,19,243 3 83		
Charges on Merchandize.....	17,960 0 17		
			1,37,204 0 0
BUSSORAH:			
Commercial Charges.....	3,65,302 1 06		
Charges on Merchandize.....	215 0 79		
			3,65,517 1 85
ANJENGO:			
Commercial Charges.....	2,55,054 2 74		
Charges on Merchandize.....	3,59,548 1 96		
			5,94,603 0 70
CAMBAY:			
Commercial Charges.....	1,27,173 2 35		
Charges on Merchandize.....	61,107 3 54		
			1,88,281 1 89
TIMBER:			
Commercial Charges.....	8,95,264 3 86		
Charges on Merchandize.....	8,982 1 01		
			9,04,247 0 87
			* 60,78,748 0 96

ABSTRACT—Commercial Charges for Ten Years.

Presidency.....	8,44,878 2 86
Surat.....	4,05,105 3 36
Malabar.....	2,65,378 2 36
Bushire.....	1,19,243 3 83
Bussorah.....	3,65,802 1 06
Anjengo.....	2,55,054 2 74
Cambay.....	1,27,173 2 35
Timber.....	8,95,264 3 86

+ 32,77,902 2 42, at 2s. 5d.

per Rupee is *sterling* £.568,768, the amount of Commercial Expenses actually incurred in ten years, whilst Appendix 12 of the Third Report, states the Commercial Charges for *seventeen* years to be only £.225,862.

* From this abstract of ten years actual expenditure, the average annual amount may be taken at, in round numbers, 6,00,000 Rupees.

† From this abstract the amount of Commercial Charges actually incurred on the Company's trade, but not noticed in the *invoices*, may be considered to be 3,20,000 Rupees per annum on an average of 10 years.

APPENDIX II.

STATEMENT from the Accountant General's Office, Bombay, of the Commercial Charges incurred there, and not included in Invoices, for Eleven Years, or from 1799, 1800, to 1809-10 inclusive; to which is annexed, a comparison of the Amount for Ten Years, with Appendix XII. of the Third Report.

COMMERCIAL CHARGES incurred during eleven years at the Presidency of Bombay and Subordinates, inclusive of warehouse rent, and not put upon goods.

Charges not put upon goods in 1799-1800.....	1,50,488	3	68
1800-1	1,49,291	2	54
1801-2	1,67,883	2	09
1802-3	1,26,478	3	69
1803-4	1,56,953	0	21
1804-5	1,69,034	0	46
1805-6	1,64,332	1	65
1806-7	2,03,863	2	93
1807-8	1,71,587	0	89
1808-9	1,34,473	0	36
1809-10	1,13,444	3	48
	Rupees	17,07,831	1 93

Bombay, 10th August, 1811.

N.B. The above was delivered to me by the Accountant General of Bombay, and was framed from the official documents in his office. The following is intended to show the amount of the above sums in pounds sterling, compared with the sums given in the same years as the "Commercial Charges" of Bombay, in Appendix 12, of the Third Report.



	As per Accountant General's Statement.	As per Appendix 12, 3d Report.
	£. Sterling.	£. Sterling.
Commercial charges 1799-1800	£. 16,929	10,659
1800-1	16,795	11,860
1801-2	18,886	14,151
1802-3	14,228	10,722
1803-4	17,657	12,625
1804-5	19,016	14,464
1805-6	18,487	13,892
1806-7	22,934	18,299
1807-8	19,153	15,350
1808-9	15,128	11,554
Difference or less charged in the Appendix 12, than in the Accountant General's statement	179,213 £. Sterling	133,576 45,637

REMARKS.

On reference to Appendix 12 of the Third Report, it will be seen that the commercial charges of Bombay are only about one-thirteenth part of the whole amount for the three presidencies. It follows, that if there be the same omissions under the other heads as are ascertained under that of Bombay, the whole amount omitted for the ten years, here compared, would be thirteen times this difference..... = £.393,281 St^r.

And, by the same rule of proportion, for the period of seventeen years, to which the account in the Third Report extends, the amount of the difference would be..... = £.1,008,577 St^r.



APPENDIX III.

STATEMENT to shew the Balance of Profit and Loss, or the net Profit and net Loss, in each Year, on the Company's Commercial Concerns, at the Presidency of Bombay and its several subordinate Factories, as exhibited in the official Books of each of those Stations.

PRESIDENCY.

Import Depart- ment.	Profit.	Loss.
	Rupers.	
1800-1 Net	16,478 1 21	
1801-2 do.	62,909 2 79	
1802-3 do.	23,384 0 13	
1803-4 do.	1,12,985 1 92	
1804-5 do.	1,14,544 1 55	
1805-6 do.	1,63,214 3 10	
1806-7 do.	38,331 2 85	
1807-8 do.	... ..	3,32,113 0 30
1808-9 do.	1,17,144 1 23	
1809-10 do.	23,653 3 71	
	6,72,646 2 49	3,32,113 0 30
Export Dep.	3,783 3 36	
1809-10.		
Gain	6,76,430 1 84	
Deduct loss	3,32,113 0 30	
Remains	3,44,317 1 54	A.

REMARKS.

	Rupees.
A. Apparent gain stated in the books.....	3,44,317 1 54
But these books exhibit (as specified in State- ment IV.) a net loss by discounts, &c. which is not carried, as it ought to be, to profit and loss.....	4,60,928 2 53
Leaving a loss, instead of gain, of rupees...	1,16,611 0 99
To which should be added the commercial charges at the Presidency, as per Statement, No. I.	8,44,878 2 86
Total loss at the Presidency	9,61,489 3 85

SURAT.

	Profit.	Loss.
	Rupees.	Rupees.
1800-1	... ..	85,369 2 34
1801-2	... ..	65,952 3 75
1802-3	... ..	9,939 0 16
1803-4	... ..	3,871 2 21
1804-5	1,210 0 0	
1805-6	25,759 1 62	
1806-7	... ..	1,268 2 19
1807-8	1,378 0 48	
1808-9	2,634 1 75	
1809-10	20,050 3 42	
	51,032 3 27	1,66,401 2 65
		51,032 3 27
	A.	1,15,368 3 38

REMARKS.

	Rupees.
A. Apparent loss by the Surat books.....	1,15,368 3 38
But commercial charges are not carried in these books to the head of profit and loss, as they are at the other subordinates. Add, therefore, the amount of " commercial charges".....	2,49,298 0 76
And the total loss at Surat will be.....	3,64,667 0 14

MALABAR.

Commer. Resi- dent's Books.	Profit.	Loss.
		Ropees.
1800-1		94,884 1 36
1801-2		28,210 0 78
1802-3		57,511 1 18
1803-4		19,589 1 37
1804-5		29,185 0 19
1805-6		29,263 2 65
1806-7		25,059 1 80
1807-8		9,115 3 41
1808-9		6,372 0 11
1809-10		5,298 0 86
	R ^s	3,04,489 1 71

REMARKS.

In the books of this Presidency the following desperate debts are still included, which I know to have been incurred in the course of the Company's commercial concerns, within my time in Malabar, and to be utterly irrecoverable.

	Ropees.
Hadjee Essoob Arab	1,94,335 3 50
Sabya Set.....	22,086 0 83
	R ^s 2,16,422 0 33

Exclusive of the net loss exhibited in the books.



BUSHIRE.

	Profit.	Loss.
		Rupees.
1800-1		
1801-2		
1802-3		
1803-4	... ..	9,391 3 54
1804-5	... ..	40,577 1 33
1805-6	... ..	50,449 1 76
1806-7	... ..	29,281 0 60
1807-8	... ..	
1808-9	... ..	14,899 2 59
1809-10	... ..	8,063 0 21
	R	1,32,662 2 3

REMARKS.

For the years blank of this period, there are no Bushire books at the Presidency.

In those that are forth-coming for the remaining part of the period, there appear the following bad debts:

	Rupees.
Shaik Nasur Khan.....	48,922 0 16
Aga Abdul Rahim.....	1,639 0 10



BUSSORAH.

	Profit.	Loss.
1800-1		Rupees.
1801-2		
1802-3	... ..	72,725 3 30
1803-4	... ..	59,630 2 2
1804-5	... ..	1,17,574 1 93
1805-6	... ..	46,187 0 45
1806-7	... ..	29,506 3 56
1807-8	... ..	52,351 2 95
1808-9	... ..	75,530 1 68
1809-10	... ..	61,418 1 50
	R ^s	5,14,925 1 39

REMARKS.

There are borne on the books of this Presidency the following old balances, which appear to be irrecoverable losses, viz.

	Rupees.
" Charges incurred, and losses sustained, in consequence of a rupture with the Chaub Shaik.....	2,09,435 3 26
" The government of Bagdad and Bussorah	30,370 1 48
Due from Shaik Ahmood Ibn Tamar.....	7,500 0 0
Do. Shaik Yoosuf Ibn Mushary.....	6,000 0 0
	R ^s 2,53,306 0 74

Exclusive of the net loss exhibited in the books.



ANJENGO.

	Profit.			Loss.		
				Rupees.		
1800-1	...	...	...	52,499	2	24
1801-2	...	...	...	8,300	3	82
1802-3	...	...	...	29,206	0	4
1803-4	...	...	A.			
1804-5	...	...	...	29,918	2	27
1805-6	...	...	...	47,554	2	60
1806-7	...	...	...	25,461	1	46
1807-8	...	...	...	15,732	3	17
1808-9	...	...	...	20,801	2	84
1809-10	...	...	...	9,731	3	88
			R ^s	2,34,207	2	32

REMARKS.

A. There are no books for this year at the Presidency, whence this blank.

In the books of 1808-9 there is a sum written off to Fort St. George Presidency, for pepper confiscated by the Madras army, under Colonel Chalmers, which may be considered a dead loss to the Company.

It amounts to..... Rupees.

It amounts to..... 2,52,625 0 0

And is exclusive of the net loss exhibited in the books.



CAMBAY.

	Profit..	Loss.
1800-1		
1801-2		Rupees.
1802-3		
1803-4		
1804-5		
1805-6		
1806-7	... ..	A.475 0 0
1807-8		
1808-9		
1809-10		
	R ^s	<u>473 0 0</u>

REMARKS.

Rupees.

A. Amount of casual loss inserted in these books 475 0 0

There appears, indeed, no profit in these books, whence there is no head of profit and loss. The commercial charges are therefore net loss, and should be added.....

1,27,173 2 35

Total loss at Cambay.....

1,27,648 2 35

TIMBER.

	Profit.	Loss.
		Rupees.
A. Beypoor Saw-mill.		
1801-2 .....	... ..	8,643 2 32
1802-3 .....	... ..	11,826 0 96
Conservator's Books, Malabar.		
1807-8	1322 3 0	
1808-9 .....	... ..	6,369 1 85
1809-10 .....	... ..	15,795 2 20
Presidency.....	... ..	5,31,849 0 0
		5,74,483 3 33
	Deduct gain...	1,322 3 0
	Net loss.....	5,73,161 0 33

REMARKS.

A. Vide remark in Statement I. Page 52.

N. B. This and the separate statements of timber, &c. in No. I. give probably the most favourable view that can be exhibited of that part of the Company's concerns in timber, &c. which their own servants have been employed in supplying, and perhaps too favourable a one for strict accuracy, inasmuch as it will be seen, that credit is given for a net profit of 20 per cent. on all the supplies made by the Company's commercial residents, conservators, &c. though it is certain the whole could not have been sold at this rate; some having been expended for the Company's own use, and some still remaining as a balance in hand.

The marine department receives other supplies of timber and plank, some by contract, others by purchase on the spot. To give an account of all these would require a complete scrutiny into the marine department, an Augean repository, which would demand another Hercules to clear and develop. It would require also the addition of other very heavy charges of which, from the nature of the marine department, there might be difficulty in settling the just amount.

Of these combined supplies of timber, I shall, however, merely observe that when landed in Bombay, though the invoices are brought to account in the marine store-keeper's books, the timber itself has never been looked after, by any body liable to responsibility

on this account: neither the store-keeper, or his deputy, have ever thought it their duty. The master builder has generally disposed of it as he pleased. Piles of timber and plank have been laying for these ten years on the north end of Colabah, the lower tiers of which are now rotten; much is supposed to have been stolen, and not a little appropriated to private use, by the Company's mark being cut out, and a private mark substituted; than which, from the total neglect of this article, and its promiscuous admixture with the timber and plank of individuals, nothing is more easy to effect.

A survey was lately ordered on this portion of the Company's property—if prosecuted with vigour and honesty I can have no doubt that the deficiency will be very great: indeed from what I know of the extensive and unpardonable neglect of the Company's affairs in the marine department, I would not cover the losses and abuses in it, since I have observed its management, for 20 lacs of rupees.

ABSTRACT—Profit and Loss, Ten Years.

PRESIDENCY:	Rupees.
Loss.....	961,489 3 85
SURAT:	
Loss.....	364,667 0 14
MALABAR:	
Loss.....	304,489 1 71
BUSHIRE:	
Loss.....	132,662 2 3
BUSSORAH:	
Loss.....	514,925 1 39
ANJENGO:	
Loss.....	234,207 2 32
CAMBAY:	
Loss.....	127,648 2 35
TIMBER:	
Loss.....	573,161 0 33

R^s 32,13,251 2 12, at 2s. 3d. per Rupee, £361,490 sterling, in ten years, absolute loss on the trade at Bombay, and the subordinate Factories, exclusive of the bad debts and goods lost at Subordinates, not yet written off, and which are as follows:

MALABAR.....	2,16,422 0 30
BUSSORAH.....	2,53,306 0 74
ANJENGO	2,52,625 0 0



APPENDIX IV.

STATEMENT of the Company's Woollens and Metals, &c. consigned to Bombay, with the Disposal thereof, by Sale, and otherwise, as is exhibited in the Books of the Warehouse Department. To which are added, the usual Mercantile Charges of Customs, Insurance, and Interest, in order to show the Result on Mercantile Principles, from 1793 to 1810-11 inclusive.

WOOLLENS.			
	1.	2.	3.
	Imports.	Total Issues by Export, Delivery to Public Departments, Public and Private Sales, and short Deliveries, recovered at the Invoice Price.	Uncleared Goods, of Public and Private Sales, written back.
On Hand.	Rupees.	Rupees.	Rupees.
1792	3,34,294 2 55		
1792-3	2,86,031 0 0	4,42,284 0 85	34,857 0 0
1793-4	2,83,049 3 40	2,79,089 3 44	25,787 3 56
1794-5	4,99,245 3 56	6,15,256 0 26	...
1795-6	2,10,136 3 95	1,68,736 0 43	...
1796-7	7,67,133 1 58	5,99,148 3 72	...
1797-8	8,58,327 3 02	9,47,021 2 54	58,327 3 32
1798-9	6,69,123 2 04	8,42,514 0 88	1,42,323 1 93
1799-10	7,81,278 1 37	5,18,326 2 92	1,20,013 1 48
1800-1	7,36,288 3 63	13,45,009 0 28	27,547 3 32
1801-2	11,04,876 0 98	5,59,992 0 62	27,032 2 0
1802-3	8,45,578 1 02	10,57,979 3 18	1,01,691 0 45
1803-4	4,34,555 1 34	4,97,734 2 27	69,834 1 93
1804-5	8,79,719 2 38	9,07,456 3 01	96,721 0 73
1805-6	4,28,872 3 37	5,68,438 3 75	31,667 1 75
1806-7	7,50,480 2 14	7,23,847 2 78	18,432 0 67
1807-8	13,85,918 2 83	17,31,992 2 38	...
1808-9	10,09,087 0 67	8,78,558 1 09	...
1809-10	10,44,172 1 53	9,88,507 3 11	16,948 3 47
1810-11	9,12,560 2 82	9,15,241 0 03	19,468 1 74
	1,42,20,731 3 68	1,45,87,786 1 54	7,89,653 2 15
Total amount of Issues and Sales..... Rupees 1,45,87,786 1 54			
Deduct uncleared..... 7,89,653 2 15			
Real Sales..... 1,37,98,132 3 39			
Total amount of Imports per Invoices..... R ^s 1,42,20,731 3 68			
Deduct on Hand at the close of 1810-11..... 5,39,571 3 70			
1,36,81,159 3 98			
Apparent Gain, according to the Company's mode of keeping accounts, on Woollens... } R ^s 1,16,972 3 41			

METALS.

	1.	2.	3.
	Imports.	Total Issues by Export, Delivery to Public Departments, Public and Private Sales, and short Deliveries, recovered at the Invoice Prices.	Uncleared Goods.
On Hand.	Rupees.	Rupees.	Rupees.
1792	3,17,664 2 55		
1792-3...	6,07,939 0 67	9,58,274 1 27	64,886 0 62
1793-4...	3,09,834 0 17	2,96,833 0 64	2,14,171 2 10
1794-5...	4,92,856 1 26	5,17,243 2 57	11,804 1 38
1795-6...	53,417 2 42	4,34,596 2 57	
1796-7...	2,43,093 3 46	3,75,255 3 91	12,398 1 94
1797-8...	6,63,037 1 42	15,37,493 1 70	77,764 3 04
1798-9...	5,96,841 2 76	4,46,724 0 47	2,31,706 3 34
1799-1800	4,27,398 1 86	3,77,403 3 52	8,347 2 0
1800-1...	4,07,432 0 46	6,16,340 2 73	
1801-2...	3,52,881 3 73	6,27,630 0 62	
1802-3...	13,15,554 3 74	9,31,204 2 99	40,411 37 1
1803-4...	12,33,193 3 66	6,14,675 3 21	79,345 2 0
1804-5...	3,32,436 0 56	11,82,603 2 63	1,06,563 3 91
1805-6...	2,83,681 3 60	6,89,053 1 23	73,032 1 37
1806-7...	4,27,503 0 57	11,19,060 3 56	14,509 2 70
1807-8...	3,21,953 0 99	11,02,391 1 77	
1808-9...	6,33,445 2 79	6,01,550 3 21	5,676 3 90
1809-10...	9,05,081 3 41	13,46,080 3 65	1,35,637 3 51
1810-11...	9,63,238 3 94	9,28,259 3 41	227 0 04
Totals.....	1,33,68,591 3 12	1,47,03,177 1 66	10,74,484 3 56

Amount of Issues and Sales of Metals, from 1793 to 1811 inclusive..... R^s 1,47,03,177 1 66

Deduct uncleared..... 10,74,484 3 56

Real Sales..... 1,35,28,692 2 10

Amount of Imports during the same period, per Invoices R^s 1,33,68,591 3 12

Deduct on hand at the close of 1810-11..... 7,65,878 0 44

1,26,02,613 2 68

Apparent gain on Metals..... R^s 10,25,972 3 42



	COCHINEAL.		DISCOUNTS.	DEPOSITS.
	1.	2.	Allowed by Government for Prompt Payment, Commission to Warehouse Keeper, and ascertained Deficiencies on the preceding.	Forfeited by Non-clearance Goods.
	Imports.	Sales.		
1797-8	...	...	18,689 0 43	
1798-9	...	...	15,902 3 66	
1799-10	...	...	2,300 3 77	
1800-1	...	...	...	1,377 1 56
1801-2	25,697 0 0	...	20,749 3 24	882 1 0
1802-3	...	...	...	
1803-4	1,15,526 1 97	1,21,066 3 01	27,104 2 54	
1804-5	1,13,285 3 07	1,17,527 3 27	91,707 1 03	
1805-6	...	25,887 0 94	53,395 3 0	7,960 2-0
1806-7	...	...	92,842 1 42	
1807-8	...	...	53 0 81	
1808-9	...	...	89,265 2 70	
1809-10	...	...	E. 29,872 0 68	
1810-11	...	...	F. 34,275 0 46	5,010 0 60
	2,56,459 1 04	2,62,481 3 22	4,76,158 3 69	15,250 1 16
		2,56,459 1 04	G. 15,230 1 16	
Apparent Gain on } Cochineal . . . }		6,022 2 18	4,60,928 2 53	

e. Commission allowed to be deducted from the Amount of Sales in 1809-10, to pay the Warehousekeeper and Establishment.

f. In 1803, the Warehouse Committee took, by Order, an Inventory of the Goods in Warehouse, when this Deficiency was reported, and written off—since that Period most important Deficiencies have been ascertained, but never taken notice of.

g. The Gain by Forfeited Deposits deducted from the Loss by Discounts, &c.

Apparent Gain, according to the Company's Mode of Computation, on Woollens, is therefore..... R' 1,16,972 3 41

Ditto.....Ditto.....Ditto on Metals..... 10,25,978 3 42

Ditto.....Ditto.....Ditto on Cochineal..... 6,022 2 18

11,48,974 1 01

Deduct Net Loss by Discounts, &c..... 4,60,928 2 53

Apparent Gain by the Warehouse Books R' 6,88,045 2 48

Which, without going beyond the Warehouse Books, is only about 2 per Cent. on the Sum Total of Sales and Issues, instead of "nearly 7 per Cent. on public Sales,"—and "11.62 per Cent. on private Tenders,"—as stated in the Bombay Government's Letter of the 16th October, 1809, to the Court of Directors, to be "An important Fact indisputably established."



ABSTRACT OF IMPORTS

Through the Warehouse—to which are added, Consignments of Goods from the different Commercial Residences not included in the Warehouse Books.

	Rupees.	qrs.	Rias.
1800-1	37,96,523	2	26
1801-2	44,72,937	2	33
1802-3	43,85,064	1	73
1803-4	31,91,172	2	60
1804-5	43,59,524	3	05
1805-6	25,30,130	2	17
1806-7	31,14,692	0	59
1807-8	53,65,472	2	09
1808-9	51,33,593	1	39
1809-10	45,65,403	0	53

Rupees
104,09,19,839 3 50 — (40,91,983 on an average of 10 years.

A careful examination of the warehouse accounts, and general books, thus shows the amount of goods which annually pass through the Company's hands on the Bombay establishment, including all the timber and coal, provided by the Company's commercial servants, but exclusive of their marine stores, to average—say 40,00,000 per annum. The real charges actually incurred on the Company's trade at Bombay, according to the official books for the corresponding period of ten years, give an average of upwards of 6,00,000 Rs per annum *. This sum includes what are termed in the books "Charges on Merchandise," and of which it is thought proper to allow the insertion in the Company's Invoices—the remainder are classed in the books under the heads of "Commercial Charges," and many others, enumerated in Statement I. all of which are peremptorily excluded from every Invoice—these latter, according to a faithful statement of them in Appendix, No. I. amount to upwards of 3,20,000 Rs per annum, on a like average of ten years; but for the sake of round numbers, stated at that sum—and for the sake of brevity, termed "*Commercial Charges*," &c. It thus appears that the whole of the Company's charges in their commercial departments at this Presidency, bear to the whole amount of goods provided in, or passing through those departments, the proportion of 15 per cent. whilst the omitted "*Commercial Charges*," &c. bear to the same a proportion of 8 per cent.

It is therefore evident that to give an accurate view of any branch of the Bombay trade, founded on Invoices and Accounts Sales, the proportion of "*Commercial Charges*," &c. or 8 per cent. must be added, in order to render the account of *real charges* actually incurred faithful and just.

* See page 54.



THE APPARENT GAIN

Rs. Qrs. Pys.

By the Warehouse Books is stated to be..... 6,88,045 2 48

The columns of ISSUES contain all the Consignments of Woollens and Metals to Subordinates, at the invoice prices—which prices, with the additional charges incurred thereon by transportation, additional warehouse rent, loss of some articles, and damage of others, there is no reason to suppose were ever realized. It would be too tedious to trace these Consignments through the books of each Residency; nor, if it could be done with accuracy, are they of sufficient magnitude to repay the labour. As it is the object of this account to state nothing on bare supposition, these Consignments are allowed to stand as having realized prime cost and charges, with the exception of Bushire; in respect to which Residency alone we have an official Report on record *, stating the net loss on the sales there for 10 years to have been 30.18 dec. per cent. exclusive of the expenses of the Residency, and exclusive of the sales by Mehedy Aly Khan, to the amount of 6,31,000 R^s. This may afford some idea of the result of Consignments to other Subordinates; but being an official record in respect to Bushire, the loss must of course be stated.

The Consignments to Bushire, Bagdad, and Bussora (where the rates of sale must always have been nearly equal, since the market is the same) during the period of this statement, amount to 10,15,554 3 77, exclusive of Consignments to Mehedy Aly Khan, even to a larger amount than that stated by the Accountant General. The loss thereon, at the rate above specified, or 30 per cent. exclusive of the charges of the Residency, is accordingly..... 3,04,666 0 0

Leaving of the apparent gain only R^s 3,83,379 0 0

The Accountant states it to be impossible to understand Mehedy Aly Khan's account, or to give any probable view of his sales and alleged profits; but the Resident who succeeded Mehedy Aly Khan declared, and the present Resident confirms the fact, that these sales were mostly nominal—and that he gave Government credit, *on paper*, for sums on this account; which, to this hour, have not been realized. Mehedy's nominal sales amounted, as above stated, to more than 6,00,000 R^s. One of these sales was to Mahomed Nubbee Khan, afterwards ambassador to the Supreme Government,

Carried forward..... R^s 3,83,379 0 0

* Accountant's Report, 30th May, 1811.



APPENDIX IV.

71

Rupees. Qrs. Rs.

Brought forward..... 3,83,379 0 0

where he obtained an order, for remission of his debt, to the amount of 1,00,000 R¹. As this, however, was, I presume, deemed a political expedient, it is not stated here as a commercial loss.

It appears from the Abstract, Page 69, which is taken from the Company's own books, that their real charges of a commercial nature, bear to the whole of their trade, under Bombay, a proportion of more than 15 per cent. on the original value of their goods. Limiting ourselves, however, to this rate of charge, since it is undeniably borne by the Company on the whole of their trade, it is of course equally borne in the same proportion on every part; and must, therefore, be added, in the present instance, to the Invoice value of the Imports, as follows:

Woollens.....1,42,20,731

Metals.....1,33,68,591

Cochineal..... 2,56,459

Total R^s 2,78,45,781, on which the charges actually borne at 15 per cent. will amount to..... 41,76,867 0 0

ACTUAL LOSS..... 37,93,483 0 0

Thus far the Company's own records; from which we collect, on grounds incontrovertible, that the loss which they alone exhibit, is about 13½ per cent. on the invoice value of these Consignments, instead of the gain of 7 and 11 per cent. stated to the Court of Directors by the late Bombay Government, as "*an important fact indisputably established.*"

BUT it is also clear that the Company have incurred the following FURTHER CHARGES on the same account.

1. The established CUSTOMS at the Presidency at 3½ per cent. the more necessary to be added in this place, as the Company would have gained this amount, instead of being obliged to sustain it as a charge, had the market been supplied by private merchants, the entire sale of the goods showing also that there was an effectual demand for the whole supply. This charge therefore amounts to..... 9,77,403 0 0
2. INSURANCE is also a mercantile charge; and if estimated at 5 per cent. will amount to..... 13,96,289 0 0
3. If we consider that these goods and stores must have been purchased in England, some time previous to embarkation, four or five months on the passage out, some time in ware-

Carried forward..... R^s 61,67,179 0 0



	R. grs. Rs.
Brought forward.....	61,67,179 0 0
house in India previous to sale, and then sold at a twelve-month's credit, it will be seen that, from the period of purchase, to that of realizing the Amount of Sales, could not well be less than two years. To be as moderate as possible, however, in the computation of interest, a principle has been adopted in common mercantile use in India, of adding INTEREST FOR ONE YEAR ONLY, on the sum of each year's import; and then deducting therefrom, or giving credit for the full amount of issues in each year. On these grounds, and it will perhaps be found impossible to state this charge on a more moderate principle, the sum of interest calculated at the ordinary rate on the amount of the annual import, and the stock on hand, with a deduction of the annual issues, for the whole period, is.....	39,96,292 0 0
LOSS, without including freight, which } cannot be ascertained in India..... }	R. 1,01,63,471 0 0
At 2s. 3d. per Rupee, is...STERLING, ...	<u>£. 1,143,390 0 0</u>

P. S. These calculations were made in India. Since my return I have learnt from the Third and Fourth Reports, that the Company add 10 per cent. in their Invoices to the actual cost of the goods; but as there is no charge for freight, which, by the Company's ships, may be considered £.9 per Ton, and the present contract price for a ton of iron is only £.13, we may allow the charge of 10 per cent. to be set off against the omission of freight; in which, if there be any want of accuracy, it is only imputable to the Company's system of keeping their accounts; and we may be satisfied from the preceding statement, that the real loss on these branches of trade, on true mercantile calculation, has been more than *one million sterling*. Far from exaggerating the amount of loss, the result of this calculation, as communicated to the House of Commons, (see Speech, page 10) and the average taken as the annual amount of Commercial Charges in Appendix I. (see page 54) are considerably within the extreme of the truth. The interest also, in the account above, is only calculated at £.8 per cent. per annum, although £.10 and £.12 per cent. were commonly paid in India during some parts of the period.

APPENDIX V.

ABSTRACT of a Series of Proceedings connected with the Provision of the Company's Investment at Surat, taken from the Diary of that Commercial Factory, and calculated to show, by positive Facts, the necessary Consequences of the Company, as Sovereigns, interfering in the internal Trade of their own Dominions.

1796.

IN 1796 it is recorded, that the weavers assembled in a body, and signed an agreement to resist an alteration which took place at this time in the mode of examining the goods delivered into the Company's warehouse, and to supply up more goods on such terms.

The Company's investment consists of two parts—standard goods, and inferior dote. The latter are paid for at a lower price than the former; and by a more rigid rejection than formerly of goods from the first class, and returning them on the hands of the weavers, they became sufferers, and were induced to resist, in the manner above mentioned; a measure which the natives of India never resort to but in cases of extreme hardship and injustice. Many of the weavers too, on this occasion, threatened to quit the city.

Persuasion and threats were held forth to induce the weavers to submit, but proved, for a long time, vain.

It appeared, in the course of the discussions, that the standard goods were taken from the weavers at an inadequate price, and that the latter had no means of making up this loss, but by supplying inferior goods as standard, which, by the former mode of examination, they were enabled to do. The native contractor for the investment says, in one place, that he has been often obliged to pay the manufacturers a higher price for goods than that allowed him in the contract.

When the Portuguese, Americans, or the private traders, were in the market, the weavers could always sell the inferior goods at a higher price than the Company gave for standard goods; but the object of the Company's servants being to monopolize the whole of the goods at reduced rates, and to the entire exclusion of

every private trader, the arrangement adopted, and strict rejection of goods from the standard into the inferior class, fell doubly hard upon the weavers.

In the course of these discussions, the Commercial Resident distinctly avows, that he considers the Commercial Board, (of which he was himself a member) to be the actual governors of the weavers, although these people were at the time subjects of the Nabob of Surat.

In the same spirit, threats of the most exemplary punishment were held out to these people, on the sole authority of the Commercial Board; and this direct coercion was deemed at one time to be the more necessary, because, as the record states, "During the present abundance of provisions, it will take a length of time to force a compliance by leaving the manufacturers without employ."

A second method of bringing these refractory weavers to reason, was suggested at this time by the Commercial Resident, and cannot be better given, nor show more forcibly the spirit under which the Company's trade in India is carried on, than in his own words.

"The second method, and which I am well convinced is that most likely to prove an effectual cure for the disease we have to treat, is to take advantage of the brokers and weavers being the Nabob's subjects, and appeal to his decision against them, for not performing their agreements with the contractors, which, in clear and specific terms, stipulate, one and all, that the goods shall be in all respects equal to the muster, and delivered in to him, or the warehouse, by fixed periods; at the same time, using the authority of the chief or resident, in desiring he, the Nabob, will find out and punish those who have presumed, without his authority, to assemble the manufacturers, and others, in a body, and encourage them in so licentious a proceeding, as that of entering into written agreement to support each other in acts of dishonesty. One argument opposing the adoption of this second method may be offered. The Nabob may feel an interest in defeating our endeavours to check the manufacturers in thus doing as they think proper, and rather encouraging them, as he has already learned that it would be acceptable to the Company, if the weavers employed in the investment, could be all brought under the English protection, and thereby prevented paying his mocauts, and other sources of revenue; besides understanding that it is the Company's intention to monopolize the whole of this trade, by purchasing not only all the rejected goods, but those usually provided for foreigners,



which must lessen, in a very great degree, the customs at the Phoorza*, where these goods are exported."

The Commercial Board interposed their authority on this occasion, and by some of the means above suggested, but which particularly are not stated, got some of the principal men to say that the Company's business should not be further interrupted, when they were dismissed, but not without warning, "that further complaints of future stoppages would bring upon them a very severe punishment."

The Commercial Board close their proceedings of this day with the following minute:

"The Board think it proper to notice information they have received of the arrival of an American ship at this bar, for the avowed purpose of procuring an investment of piece-goods for the French islands, where they understand articles of this nature to be in very great demand, and judge it advisable to make government acquainted with the circumstance, submitting to their consideration the propriety of measures being adopted to obstruct, in its infancy, a trade so pregnant with injury to the Honourable Company's interests, and *particularly to the monopoly they have so sanguinely in view, of the whole of the piece-goods trade of this settlement.* Agreed, therefore, that we immediately address the Honourable the Governor in council on the subject, and draw their attention to the sentiments of the Honourable Company in the year 1777, when they deemed it expedient to throw obstacles in the way of foreigners trading to this port; in the instance of the Danish ship Joseph and Theresa, although that enterprise was not contrary to any treaty then existing."

The inferior goods above alluded to, are divided into two classes, viz. Dutch goods, and Portuguese and French goods. In respect to these, it appears the Court of Directors had ordered a "subordinate investment to be provided, composed of the goods rejected from the standard, and the other miscellaneous fabrics fitted for the Europe markets, and of descriptions best suited to counteract the speculations of foreigners."

The Dutch, Portuguese, and French, had been established in factories at Surat from early times, and being able to give much higher prices for piece-goods than the Company, the weavers, when allowed to sell their rejected goods to foreigners, made up

* Nabob's Custom-house.

in profit upon these for the losses they sustained on the goods they were obliged to supply for the Company's investment.

But the object now was a complete monopoly of the whole trade; and on the terms which the Commercial Board thought proper to dictate; wherefore the Resident caused the weavers to enter into engagements for supplying the whole of the inferior goods to the Company, and gives the following reasons for the measure.

"My reasons for adopting the mode of regular agreement in preference to that of occasional purchase for the major part of the inferior goods, are as follows:

"First. Because, without some positive assurance of these goods being purchased, my brokers could not venture of themselves to prevent foreigners, or their agents, from investing them, or the weavers carrying away those that are rejected from the Company's warehouse.

"Secondly. Because, on full estimation of the several modes in practice among the merchants engaged in this branch of trade, that of previous agreement evidently appears to be the best, because the safest and most certain.

"Thirdly. Because there is the greatest probability, and even moral certainty, that in the event of peace, or the return of foreign competitors to the market, the price of all kinds of piece-goods will rise to an unprecedented degree.

"And lastly. *Because it establishes the right of the Company to the produce of every loom belonging to the manufacturers, who have engaged in the employ of my brokers, on the principle of previous advances, to the exclusion of all agents employed by foreigners, or others, who are in the habit of providing goods for speculation with them.*"

The Commercial Resident adds, that though this argument was fully binding on the weavers, *it was not so on him*, inasmuch as he was at full liberty to buy goods elsewhere, if he could get them on more advantageous terms.

The President of the Commercial Board was also the chief of Surat, in whom was vested the whole authority and influence of the British power at Surat. The independent government of the town of Surat was at this time in the hands of the Nabob, a prince, who from regard to the English, or fear of their overwhelming power, was always as friendly, or as submissive, as that power, in all its plenitude, could reasonably expect or desire. One source



of the Nabob's revenue at Surat was a tax called *mocaut*, or a levy from shops and persons, and of very ancient date.

Another source of the Nabob's revenue was on the export of goods at a custom-house called the *Phoorza*.

It is recorded, at this time, that the chief of Surat, "after an arduous negociation," persuaded the Nabob to relinquish his *mocauts* on the piece-goods delivered into the Company's warehouse.

The Commercial Resident estimated these *mocauts* on the investment of the year, to be equal to 8,525 rupees. It was consequently a diminution in the price of the goods, for which the commercial may be said to be fairly indebted to the political concern.

The chief of Surat also agreed at this time with Jaffier yab Khan, one of the Nabob's principal officers, that he, Jaffier, should acquaint him, in writing, with the particulars of all species of piece-goods whatever imported into Surat, and that none should pass out of the city without his, the chief's, permission.

An order was issued too, that no weavers, dyers, or any persons concerned in the piece-goods investment, should be allowed to enlist in any of the battalions then serving at Surat.

In July of this year, accounts reached Surat that a Portuguese ship had arrived at Bombay. It was also known that large remittances had been made from thence, and that native merchants of Surat had secured considerable quantities of piece-goods, and were securing more, in the expectation of selling to the ship in question. The chief, solicitous to counteract this alarming competition, and knowing that these merchants would give higher prices than the Company, a temptation, he observes, which the natives, "from their habits of chicane," could not resist, had recourse again to the Nabob, who was persuaded, or intimidated, to send for the principal brokers and dealers, and to cause them to sign a *mochulka*, or bond, binding themselves, under a penalty of 10,000 rupees each, not to sell any goods without the Nabob's permission. The chief accordingly represents "this as a fresh instance of the Nabob's attachment to the Honourable Company's mercantile interests, even at some losses to his revenues of *mocaut* and *phoorza* customs, hoping it will be highly acceptable to the Honourable the Governor in council."

The Nabob was also desired to make this appear as the voluntary act of his own government, and to have no connection with

the Company or their interests, lest it should excite ill-will and complaint against the British Government.

These measures, it seems, occasioned some of the weavers to leave Surat; and the Nabob was again recurred to, to prohibit, which he accordingly did, "the passage out of the gates of all weavers and artisans employed in the manufacture of goods for the Europe market."

Some had also deserted their looms, to enlist as sepoy, but being discovered and claimed, were accordingly discharged.

Besides the concessions made as above mentioned by the Nabob, to the injury of his mocaout revenue and customs, he was called upon to lower his fees collected at the town-gates on Company's piece-goods brought in from the country. This (the chief observes) "the Nabob has, with great reluctance, at last agreed to do, alleging, that the toll so taken, had been established by his forefathers, *and the produce given in charity*. He requested the Commercial Resident would notice to him the bullocks which arrive with the Company's goods, as to them only is the indulgence to extend."

The measure of monopolizing the piece-goods trade at Surat, was completed in the prohibition to sell these goods issued by the Nabob, as above stated, in July. The Portuguese resident immediately felt its effect, and loudly complained to the government of Bombay. These complaints were repeated by the supercargo and captain of the Portuguese ship in Bombay harbour, and by others concerned; stating this secret manœuvre of the British government to be a breach of the law of nations; to be a violation of the alliance and good understanding subsisting between the British and Portuguese states; to be ruinously oppressive to the owners of the Portuguese ship in question, Rainha dos Anjos, who could not get neither the goods actually provided for this ship by the Portuguese brokers, nor restoration of the advances made on this account to the weavers; and to be peculiarly unjust to all neutral traders, who, ignorant of this secret prohibition, would repair, as before, to Surat, supposing its trade to be free and open, and thereby become involved in certain disappointment and loss.

On these representations, the Bombay Government ordered the chief of Surat to apply to the Nabob to remove the constraint he had placed on the sale of piece-goods. The Commercial Board, however, requested this application might be postponed; but the

Bombay government repeating their former order, the prohibition was at length repealed, about the beginning of September.

In these proceedings, it is stated that goods to the value of two lacs of rupees had been provided for the Portuguese ship, on advances made, some of them a twelvemonth before, and that not only were the Portuguese brokers prevented from delivering these goods to their own Resident, but that some of these goods were actually seized on their way home from the weavers' houses to the broker's, and carried to the Company's warehouse, *although the weavers providing them had received no advances from the Company.*

The orders of the Bombay government, however, on these transactions, disapproved what had been done; and though expressing the greatest anxiety to complete the Company's investment, which they admitted to be even one of the very first objects government had to attend to, they still recommended a juster and less violent course of measures, than those lately adopted, to effect it.

Under these orders and corresponding assurances to Mr. Loureiro, the supercargo of the Portuguese ship, she proceeded to Surat, in September, for her expected cargo.

But the sequel shows how useless just orders and wise regulations prove, whilst the principle and spirit of the commercial system, originating in Leadenhall-street, induce even the most honourable and humane among the Company's servants in India, to think practices, at variance with sound policy and justice, to be prescribed acts of duty.

The repeal of the Nabob's prohibition was notified to the Portuguese resident on the 1st of September. On the 17th, however, after grateful acknowledgments for the orders issued, which he had hoped would prove effectual, he again complains, "that on my sending, on the 4th instant, my peons (according to the usage of Surat) to the houses of the weavers, to receive and to desire them to bring the goods for which I had advanced my money, *long before any of the Company's contractors had advanced theirs*, I am sorry to say they were apprehended by Mr. Cherry, his peons, and carried before him, who expressly ordered them not to go to the weavers' streets, nor to their houses, without his permission, on pain of proceeding against them with rigour, and other threats, improper to a person of my rank." It is added, that the natives employed under the Commercial Resident also



threatened "the merchants and weavers, that if any of them are found to deal or manufacture goods for the Portuguese, their looms should be destroyed."

Mr. Domingues, the Portuguese Resident, adds, that under these oppressions and insults, and finding it impossible to procure goods for his ship, he is under the necessity of quitting Surat, and proceeding to Goa.

On this further complaint, an explanation having been required from the Commercial Resident at Surat, it is here subjoined, in his own words.

"On the day alluded to, I was informed by peons whom I had stationed, agreeably to constant practice, to protect the weavers working for the Company's investment, and prevent their being tampered with by agents of the Portuguese brokers, or others, who make a constant practice of going round among them, and where opportunity is given, to purchase the cloths from the loom, by offering a higher price than the Company give, that two peons, sent by a Parsee broker, in the name of the Portuguese Resident, had come frequently to the houses of the weavers working for the Company, and particularly on that day, and under pretence of recovering outstanding balances due to the said brokers, molested, worried, and otherwise prevented them manufacturing the goods they were then weaving. Having ascertained that the weavers in question were actually in my employ, I ordered my peons to bring those belonging to the Portuguese broker to me, and questioned them by whose authority they obstructed the Company's weavers; they answered, by that of the Portuguese Resident, his broker, and asked if they were not allowed to recover money due to the said brokers, on account of advances made to the weavers for goods. As this was full five months subsequent to the Company's contract for the present year, and near fourteen to the contract of 1795, then not completed, I told them no one could be permitted to molest or interrupt those weavers that were working for the Company's investment, which they, as well as the whole city, knew very well was particularly pressing, and more than usually extensive this year, and that if any one was caught doing it, *he would undoubtedly be severely punished*. They asked me the same question a second time, saying, they only wanted to be prohibited going there, and received the same answer, both from myself and the people who were at that time standing near me, in the Company's warehouse. Besides which,



I have deemed it indispensably necessary to let it be understood, by all classes of people, and *reiterated throughout the place, that no one should escape with impunity*, if detected in any way tampering with the Company's workmen, or interrupting the progress of their investment. This is the whole that passed on the occasion. Whether I exceeded the bounds of my duty or not, I submit to the decision of government, respectfully observing, that I have not the smallest doubt in my own mind, but that the real object of the Portuguese peons going to the weavers' houses, was to tamper with them, and purchase the cloth they were working upon the loom; and *that while the Portuguese hold out a higher price for inferior goods than the Company allow for the first quality*, it is not in my power to prevent the failure of the Company's investment, otherwise than by stationing peons in every part of the town, and checking all attempts to practise this seduction of the weavers from their engagements. When once the cloth is out of the weaver's house, unless my peons see it brought thence, it is not in my power, nor that of any man, to say for whom it was made, except the weaver himself, who will not hesitate to pronounce it the property of him who gives the highest price. Senhor Jacinto does wrong me of wantonly obstructing the free trade of his nation; but I would rather he should even do that, than allow him to suppose me capable of betraying my trust, or conniving at the disappointment of my employers. When government are also informed that it is the constant practice of the dealers in piece-goods to receive fresh advances before they have cleared off the old, in regular continuation, and that, in all probability, those of the Company at present in hand, are not less than the fifth or sixth in possession, they will, I humbly conceive, be at no loss to resolve the point of right, consistently with the necessity of executing the Company's solicitous and peremptory commands, relative to their investment at this place; or how far I should have acted up to the spirit of my duty, if I had permitted Senhor Jacinto, his broker, to have persecuted the weavers in question, and taken from them either the goods they were weaving, or the Company's advances, in payment of his claim. Such a precedent once established, would encourage hundreds of merchants, who have balances due from the weavers, to prefer their claims, if just; and many to urge others, wholly without foundation, collectively agreed upon by the weavers themselves, to take advantage of the Company's generosity."

1797.

Very early in this year, the Commercial Resident advised entering into agreements for a new investment, although not quite three-fourths of the investment of 1796 had yet been completed.

The government of Bombay expressed a desire, that this new investment might be provided by other means than those already in use, which they deemed too compulsive. The mind of the Commercial Resident, however, was evidently full of "the advantage to be derived from the monopoly which the Court of Directors' last orders evinced so strong a desire of accomplishing." He accordingly observes, in reply to the more moderate wishes expressed by the Bombay government, "I cannot hesitate a moment in declaring, no part of the measures now in practice (which go no further than to the use of the Company's political influence throughout the adjacent country, *in securing a preference to their concerns, and compelling those who contract to supply goods for them, to abide by their engagements*) can be dispensed with, without endangering the success of the whole; and, in fact, laying out the Company's advances, for the benefit of the other European factories and traders, who contest with them the supply of the markets, for which these goods are destined. Without such support and ostensible assistance, (he adds) no person can, or I believe will, venture to act as broker to the Resident."

In this explanatory minute of the Resident, we find it expressly admitted, that the necessity for all this compulsion arises out of the low rates, at which the Company's goods are endeavoured to be monopolized. That notwithstanding the exemption from mohaut and phoorza duties, conceded in favour of the Company, they are still unable or unwilling to give as high prices for the goods as the other traders do who supply the European markets, and are yet obliged to pay these duties; and "that the little profit acquired by the weaver and manufacturer in the Company's employ, is the chief cause why they take every means practicable of evading their engagements, and that these are seldom or never completed, in respect to the quantity of goods ordered." Lamenting, however, that the weavers are not still more within his power than they are, he adds, that under existing circumstances, "I am continually compelled to court, or artfully force, the inclination of every class of artizans employed, and to combat by stratagem and management alone, that which is too plainly their immediate interest. Equally



insensible to shame, as too generally incapable of honesty, these people, governed by hope of present gain only, look not forward, but leave chance to extricate them from the consequence of breaking engagements. Nor do they want encouragement to elude the fulfilment of any, on the present enlarged scale, of the Company's indents. The foreigners, and native brokers, as well as the native government itself, all must find advantage in seducing them; the former, to obtain investments of goods, and the latter to increase its revenues, which are materially affected by the Company being the chief purchasers of the manufactures of the European markets, and exporting the whole quantity they invest, through their own custom-house, the Latty, where neither the Nabob nor the Mah-rattas have any share in the duties; and whilst it remains optional with the manufacturer to engage as he pleases, it follows that the highest bidder will be provided first."

It is further admitted in this minute, and other parts of the record, to be a *systematic object with the Resident to keep the weavers always under advances from the Company, to prevent their engaging with other traders*, and as being indispensably necessary to enable him to complete the Company's indents; and this is one reason with the Resident on the present occasion, for desiring to commence upon a new investment before the other is nearly completed.

But can any stronger proof be desired of the mischief of the Company's trade in India, than the preceding extracts exhibit, and of the extraordinary spirit it excites in their servants to force the execution of monopolies prescribed by the orders of the Court of Directors, when those servants not only feel, but avow their own proceedings to be adverse to the interests of the manufacturers, the legitimate merchants, and even the ruling authorities of the country, and at the same time know the whole concern to be a losing one to the Company; in fact, to be a great positive and obvious injury to every party directly or indirectly concerned in this monstrous trade?

The investment, however, for the year was ordered to be provided, as proposed by the Commercial Resident; and the Court of Directors, in this year, having approved his proceedings in the last, it was not to be expected he would relax in his views of monopolizing the piece-goods trade at Surat, or in the measures of coercion, through which alone he avowed his expectation of accomplishing it.



In this view, orders were procured from the Guykowar government to the officers in charge of the neighbouring districts, in which goods were manufacturing for the Company's investments, to give the Company's merchants and brokers a preference over all others, and *on no account to allow of piece-goods being sold to any other persons.*

As may well be supposed, all these measures materially interfered with the Portuguese Resident. This gentleman, by name Loureiro, and well known on the western side of India for the moderation and respectability of his character, had succeeded in this office Senhor Jacinto Domingues, the Resident adverted to last year.

Loureiro finding the same oppressive and vexatious proceedings as complained of last year by his predecessor still continued, of which he declared himself to be a witness, even since he took charge of the factory, represented this in mild, but firm language, to the chief and council at Surat. He appeals to the intimate alliance subsisting between the English and Portuguese nations; the old and established rights of the Portuguese factory to a participation in the trade of Surat, which never till now had been denied or obstructed; urges that under the Portuguese flag and privileges at Surat, he had as good a right as the English to take into his exclusive employ a portion of the weavers, but that deeming such a proceeding to be incompatible with the rights of independent states, all he desires is free and uninterrupted commercial intercourse with the Nabob's subjects; and complains, that under the monopoly still exercised by the Company and their servants, though given up by the Nabob, the merchants and brokers living under the protection of the Portuguese flag, are still impeded in the lawful pursuit of their trade, their servants and goods seized and carried to the Company's warehouse, thus losing both their goods and their money, which months, and even years ago, they had advanced, for preparing them; that his predecessor had, in the same way, been obliged to leave Surat, without being able to recover either his money or goods from the persons to whom he had made advances; that these were still outstanding, and that these insults, oppressions, and vexations had grown to such a pitch, as to compel his remonstrating against them, however averse on all occasions to give trouble.

This was accompanied by a representation from the native merchants and brokers, being under the protection of the Portuguese flag, detailing all the menaces and insults, the grievances and

losses, they had been subject to, from the interference of the Company's servants, in their lawful pursuits.

This representation being forwarded to the Commercial Resident, he replies to it generally, as to the similar complaints of last year, justifies his own conduct and that of his subordinate servants, and retorts upon the Portuguese, by accusing them of tampering with the weavers engaged in the Company's service. But the whole body, it seems, were so engaged, and the tampering, from his own account, amounts to nothing more than the ability and willingness of the Portuguese to give higher prices for inferior goods than the Company do for standard.

Under the orders of the Court of Directors, peremptorily requiring their whole indent for goods to be supplied, and the utmost practicable exertions to keep down the prices of these goods; and considering, as the Commercial Resident adds, that the Portuguese hold out the irresistible lure of a higher price, he sees no other means than those he adopted, of preventing disappointment to the Company; and subjoins, "*I cannot but feel even more anxious than the Portuguese Resident is, that some effectual means should be found out of averting this unpleasant recurrence to representations and complaint, by rendering the vexatious precautions I am driven to unnecessary.*"

1798.

From these transactions, it was but natural to expect dissatisfaction among the weavers. The cast, called Khettries, or manufacturers of red goods, are represented in this year as being in a state of mutiny to the Company's authority, and refusing to fulfil their engagements. These Khettries claimed a right, from time immemorial, of exclusively manufacturing the goods above mentioned. Another cast had lately sprung up in the same line, and this occasioned considerable jealousy, and even resistance, on the part of the Khettries; but the contractors for the investment, in a representation dated 12th May, 1798, expressly state, as a cause of the Khettries' failure in their engagement, that "*they had frequently urged the impossibility of providing the goods at the prices allowed them, which were the same the Company pay us, or even an advance of 5 or 10 per cent. which we offered them for the time.*"

The Nabob's authority was, as before, resorted to, to compel these people to provide the goods contracted for, and approved



by the Bombay government, 12th Jan. 1798; but even this aid proved vain.

A proposal was made at this time by the President of the Commercial Board for some more violent act of coercion towards the Khettries, but the Commercial Resident objected, from the fear of the whole cast quitting the city.

The contractors, or contracting brokers, as they are called, represent also in this year, as other causes for failing to complete their contract, that the scarcity and high price of thread operated with peculiar hardship on the weavers, in depriving them of all profit on their goods under the contract price; and that an inundation of the town, from overflow of the river during the rains, had subjected many of the weavers, and their families, to considerable loss and distress. Notwithstanding these evils, and the low rates under which the weavers were eventually coerced, as above explained, to work for the Company, I do not find that any relief was afforded them. The Portuguese agents were in the mean time buying up goods rapidly, in consequence of giving adequate prices; the effect of which, as represented by the contractors, was "nearly to put a stop to our receipt of cloths from the city altogether; our deliveries, instead of eighteen to twenty corges per day, being reduced to a medium of from eight to ten." In another representation the contractors add, "We have strictly adhered to that condition of the contract, which stipulates that the Company were to retain all such goods as might be rejected from the standard, not a piece having been returned from the Company's warehouses but was unfit for either of these qualities, the ready sale of which to the foreign brokers is a stronger proof than can be adduced of the great demand for goods for the African market, and the trash foreigners will purchase, sooner than let their ships return without cargoes."

Adding, as another reason for failure, "the very successful competition of the Portuguese, who, besides depriving us of considerable quantities of goods made for the Honourable Company, by their clandestine practices, and giving a higher price for inferior than we were paying for those of the first quality, encouraged, to a very destructive degree, the manufacture of debased goods; and in that manner, more than in any other, impeded our progress in supplying the Company with cloths equal to the standard musters."

The chief of Surat addresses the Guicowar, and procures from



him orders to his Amildars, or officers in charge of the surrounding districts, to assist the Company's agents in procuring goods, and to prevent the manufacturers from selling their goods to other purchasers.

The Company had at this time a commercial factory at Broach, and it appears by a letter from the Resident there, dated 11th May, 1798, that the Company had obtained a treaty from Scindia, whereby they were to enjoy the *exclusive trade of Broach, and low duties on their goods*. The Resident observes, on this treaty, that "*It has been too often broken, and never was paid respect or obedience to in this town.*" A fact, which shows how easily Indians may be persuaded to sign treaties, contracts, or engagements; but how little they are attended to in execution, when adverse to the real interests of the contracting parties. This was evidently the case in the present instance, for the Resident represents that Scindia's principal agent was selling, or concerned in selling, almost all the goods manufactured there to the Portuguese agents; and, consequently, that the agents of the Company's contractors, who came to Broach, could get little or nothing. The Resident recommends as a remedy for this, that the treaty should be insisted on, and that the contractor should take on himself the advances which the Portuguese had made to the weavers.

1799.

The Diary of 1799, contains similar representations, as to the difficulties of supplying the Company's investment. The investment of this year was contracted for, and the advances made at a late period, previous to which it is *avowed on record, by the contractors, and the Commercial Resident, that the* Pet. 27th June, 1799, & proceed- *Portuguese, and various other rivals, were in the* ing, 21st ditto. *market, and that they had made advances for goods, not only in Surat, but the surrounding districts, previous to any money being even received at Surat for the Company's investment.* Still, when this latter was set on foot, measures of coercion, such as issuing a proclamation to prohibit the delivery of goods to other than the Company's agents, seizing persons found in making purchases for the Portuguese and others, and threatening them with severe punishment; and placing peons over the weavers to compel them to work for the Company, were, from the causes above explained, practised towards the weavers, and even approved by Government.



The contracting brokers again prefer representations of the difficulties and impediments they meet with, stating, still more specifically than before, the difference between the Company's prices and those given by private merchants. The whole petition is a strong document. After a detail of circumstances, proving in the fullest manner the impolicy, injustice, and oppression of the whole system, it adds: "The cloths brought to the warehouse for examination, though of the usual qualities, do not meet your approbation, and one-third are rejected. To our remonstrances with the manufacturers in consequence of your repeated complaints, they reply—we deliver you goods according to custom, and still by them we are losers. How, then, is it possible that we can deliver you better *at this time when every thing is so dear?* The value of your money you shall have, for we have none of our own; if that yields small profit, we shall endeavour to live on it, but loss we are unable to stand to."

The Commercial Resident, to whom this representation is addressed, records it with a letter from himself, in which he says, "The raw material, which forms the basis of the goods, has become so scarce and dear, that the former (the manufacturers) cannot, without the utmost caution and management, live upon the produce of their labour, and, when owing to the very high offers of the Portuguese, and others employed for them, it is evidently not to their interest to abide by those engagements with the brokers, who, again, on the other hand cannot, at the utmost stretch of exertion, to preserve their credit, go beyond the fixed prices of the contract they have entered into with the Company."

The Resident alledges these, and the other reasons above given, as specific causes why the weavers are *not* desirous of working for the Company, and prefer working for others.

It also appears in this Diary that the contracting brokers had been persuaded to receive woollens at certain prices, as part of the advances from the Company, for the investments of 1797 and 1798; and that goods of the same description had been sold afterwards at cheaper rates at the general sales at Bombay, and allowed to be exported to Surat, where, selling at reduced prices, the contracting brokers were also obliged to lower theirs below what they had paid for these goods, and thereby sustained considerable loss.



1800.

Further representations of the same impediments and difficulties in the provision of the Company's investment arising from precisely the same causes. Sixty peons are placed at the disposal of the contracting brokers to aid in securing the goods, and to quicken deliveries; the brokers, at the same time, declaring, that under the then existing circumstances of the Company's trade, 500 peons would not be sufficient to enforce a compliance with the Company's demands; and that the delivery of goods to them (the brokers) on account of the Company, had almost wholly ceased. Two of the native merchants of Surat are seized, and with the sanction of Government, made over to the Nabob, and fined by him, the one in 200, and the other 400 rupees, for no other crime than that of being able to buy piece-goods of the weavers, at higher prices than the Company chose to give for the same; and which crime is accordingly termed in the Diary clandestine traffic. These facts are recorded in the following papers, *viz.*

Petition of contracting brokers to the Commercial Resident, dated 10th Nov. 1799.

Ditto, ditto, ditto, 9th Jan. 1800, with its enclosures.

Letter from Commercial Board to Government, 10th Jan. 1800.

Reply from Secretary to Government, 28th ditto, ditto.

And reports by the Nawaub of his punishment by fine of Bamulchund, or Vamulchund; and Abudeen, son of Kasim Borah (private merchants, it appears, not connected with the Portuguese), recorded in the Commercial Diary, under the 1st and 7th March.

A representation by Mahomedan weavers, recorded in certain judicial proceedings, entered in Commercial Diary, details another punishment inflicted on one of their cast for the same circumstance, by marching him round the town in disgrace.

The following extract from a representation by the contracting brokers (persons employed in that capacity by the Commercial Resident to supply the Company's investment) gives a striking view of the state of the trade superinduced by the Company's interference in it, and the zealous efforts of their servants to procure goods at lower rates than their actual market value.

"That you may have the means of fully considering the impediments we experience by this conduct, we beg leave to state some of the instances thereof, which have come to our knowledge, and you will thereby see that no vigilance whatever on our part



only can check, or prevent the cloths, which should be coming in daily, in abundance, at this season, going into the hands of our opponents; above 60 Peons are at this time employed by us, night and day, in going round among the weavers, but Surat is so large a city, that were there 500, they could not effectually stop all the people who carry on this clandestine traffic, as from every street or quarter there are several outlets, and it is impossible to watch them all. The manufacturers entered voluntarily into engagement with, and even sought employment from us; and, at the time when the Portuguese were not providing goods, received advances on the Company's account; but, since the unusually early arrival of the ship above mentioned, no means are left untried between them and the Portuguese brokers to deceive, and leave the Company's investment in arrears, until the latter will no longer pay the extravagant prices they now do. Among others, the following practices have come to our knowledge: eight or ten men go together, four or five of these have a piece of cloth fastened round each leg, covered by their drawers and usual dress; others have a piece fastened round their waists; a party of Parsees, provided with good sticks, escort others carrying cloths round their legs also, under pretence of singing, and thereby attracting a crowd of people, elude our Peons. Of this we have proof, by the acknowledgment of one of those who was so employed. Women of the Borah cast likewise carry away cloths, fastened under their clothes, knowing that our Peons will not stop and examine them, unless they are well assured of what they are doing; of 18 men, who were employed carrying cloths from one of our principal providers, by name Ally Lad Mahomed, to Gopali Tricum, one of the Portuguese broker's houses, five were detected with eleven pieces of Neccanees, tied round their legs, and sent to you, sir; for these you took security, and they were released. Another time 32 set off likewise from our providers, as follows:

4 from Cassim Jemall,

16 from Wulgh Mungall and Husson Rajir Mahomed,

12 from Tuttu Haju.

"Of these 2 were caught, and acknowledged their fault, as also, that they were of the party with the Parsees when singing through the streets.

"On another day a Sepoy was detected with Neccanees fastened to his legs, who, on being questioned, confessed that he daily made two trips with cloths, and expressed his surprise that he had not



been stopped before. He gave the cloths he then had to our Peon, and ran off. Thus, even Sepoys are employed to convey away our goods; should it unfortunately happen that any of these men oppose our Peons by force, and either are hurt, we should lament it; but how are we to fulfil our engagement with the Company, if we cannot depend upon those who are under actual engagement to work for us only, or in preference at least, and who have received our money?

“It is requisite, that at the smallest estimation, twenty or thirty cargoes of piece-goods should be brought in daily, on the Company's account, from the city manufacturers, to enable us to perform our contract within the prescribed period; and formerly our daily deliveries amounted to that quantity, but for these two months past not above five, six, or seven, come in. Now, it is certain, there has been no cause for a diminution in the number of workmen, and, consequently, that while they find subsistence, the Portuguese imputing their not being able to procure piece-goods in Surat to us, is without foundation; and the annual entries in their name of the Custom-House will show it. It is now four years that we have provided the Company's investment, and, we believe, there are very few, if any, manufacturers of the goods the Company purchase, who are not in our employ, and have not received advances from us to make cloths for the Company. This being the case, how can we procure piece-goods for the Company in proper time, if these people are to be supplied before us, *more especially at this time, when the price of thread and cotton are so very exorbitant?*”

The following are specimens of the reasoning of the Commercial Board at Surat, on the difficulties they had thus to encounter in providing the Company's investment.

Extract of a letter from the Commercial Board to Government, dated 10th Jan. 1800.

“The alarming increase in the competition for piece-goods in this place, both on the part of the Portuguese, and *of other individuals, the agents of different merchants in Bombay*, has called for our serious consideration of the measures most proper to be pursued, for averting the dreaded consequences of a disappointment to the Company in the completion of the investment we are now engaged with. The purport of a representation this morning laid before us by the contracting brokers, with various enclosures, and accompanied by a prior one on the same subject,



under the 10th Nov. last, has been confirmed by the Commercial Resident, and is but too truly descriptive of the various methods our competitors practise to allure the manufacturers from their engagements, and to elude our endeavours for detecting them.

“After the steps which have been already taken, *in the issue of a proclamation during the month of July last, the constant threatening of such people as are detected with goods concealed about them, and, even in one instance of clear conviction, having the person sent round the town by the Nabob with the piece of goods exposed, as when found on him, we confess ourselves at a loss what measures to devise to check the growing evil; since it is ever present to our apprehension that a recourse to compulsion with the manufacturers would be hazarding their renewal of engagements with the Company in succeeding years, and defeat the object of our solicitude.*

“Under this perplexity, the only remedy which occurs is, in your authorizing us to have examples made by handing over to the Nabob, for punishment, according to the custom of the country, the different encouragers (among whom Wemulchund bears a conspicuous place) of this clandestine traffic, so injurious to the Company,” &c. &c.

Extract of another letter, dated 2d Dec. 1800.

“While we have so much reason to believe the same means of *conciliation, kindness, and encouragement, have invariably been practised*, by which the extensive investments of the four last years were accomplished, we cannot but feel the most sincere concern at *observing their present inefficacy*; nor can we sufficiently lament finding, that it is not in our power to check the *unfavourable* course the trade of piece-goods has taken in consequence of the *great encouragement the Portuguese markets hold out*, which, in addition of the disappointment, threatening the Honourable Company's present investment, is likely to have a far more alarming tendency; the Committee of Examination having, for a long time past, observed progressive debasement in the fabric of the cloths, and the introduction of every method that can be devised for making them retain a good outward appearance, while no two pieces are of similar manufacture, and most of them exceedingly defective in every requisite, more especially in the proper quantity of threads. We cannot either avoid expressing our regret, that in consequence of the excessive demand there has been



for cotton for export during the last season, when the crops were not the most favourable, the price thereof (some having this month past sold here at 180 rupees, the candy loose,) should render thread exceedingly scarce and difficult to be procured; and, what is still worse, cause its being very ill spun, and of any cotton that can be had; nor is it with the less concern we have to represent the unfavourable prospect afforded, in this respect, for the approaching season; since we are informed, that in every part of the adjacent country, and in consequence of the unusual duration of the rains, and the repeated heavy falls thereof which have succeeded, the seed sown has twice been totally washed out of the ground, and serious apprehensions entertained of the third sowing, being so very backward, as almost under the customary return of the hot weather to preclude a possibility of the pod ripening sufficiently, and becoming fit to gather before the wet weather again sets in; while the trifling quantity of newload that is left, having been bought up for export, gives us additional reason to fear cotton will shortly not be procurable for the consumption of the manufacturers."

In a petition of the contracting brokers, 8th Sept. 1800, the weavers are represented as in a wretched condition, and decidedly disinclined to work for the Company. "Many of the poorer weavers (it is remarked) having scarce shelter in the miserable huts they inhabit, are, in consequence, afflicted with sickness themselves, or in their families; and their attention to the loom continually interrupted."

The Khettrie weavers having refused to receive fresh advances from the Company, Government authorise the Commercial Resident to apply to the magistrate to require of the Khettries to receive these advances, that is, in other words, to force them into it*.

A petition from contracting brokers, 3d Oct. 1800, refers to the same fact.

In another petition in Nov. the brokers avow, that if the Company would give the same prices as the Portuguese, the investment might be completed in four months.

The Adawlut being now established at Surat, recourse was had to that authority, to compel the execution of engagements for the investment. In the discussions before that court, it is stated by

* Letter from Government to Commercial Board, 14th Sept. 1800.



the contractors, that the weavers, of *their own free will and accord*, entered into these engagements, binding themselves, also, not to weave a description of cloths called Meyer's without the Company's permission. By the Meyer's, however, it is distinctly admitted that the weavers gained a profit of 2 rupees; whilst they only got 2 annas by the Company's cloths. This shows the facility of getting the poor weavers to execute agreements, which it is not possible to conceive they would do of their own free will; and on these agreements judgment passes against them on complaint of failure before the Adaulut. The contractors remark, "We have always understood it to have been customary for permission for weaving any particular kinds of goods, of the Company's investment, to issue from the Company's warehouse; for, if it rested with the manufacturers alone, they would weave only those from which they derive profit."

Another mode of binding the weavers is represented to be, by making them advances of money, which their poverty and distresses, and sometimes the performance of religious ceremonies in their houses, always induce them to take.

Under the 24th Dec. 1800, the Bombay Government directed in addition to the usual applications for aid to the Adaulut, under the regulations, that a police officer be appointed, not only on account of the high price, but also of the debasement of the fabric of cloths, to go round and inspect every day the looms of all the manufacturers, whether working for the Company or others, to see that the cloths are of proper length, breadth, and colour, and containing the proper number of threads, with authority to confiscate all such pieces as may be found deficient in these respects; whereby it is added, (most notable reason) "both the Company and other merchants may obtain their piece-goods of proper dimensions, and a check be put to the dishonesty of the manufacturers, under the strong temptations to which they are now exposed, by the superior prices that are stated to be so generally given by the Portuguese."

1801.

In this year * the difficulties increased to such a degree, together with the unwillingness of the weavers to work for the Company on such disadvantageous terms, and the impossibility, even with all the precautionary and coercive measures adopted to provide the

* N.B. No new investment this year.



investment required, that the contractors declared they could continue the system no longer. In a representation, dated 11th March, the contractors observe, "While they (the weavers) find it more profitable to deal with the Portuguese, who give them so much higher prices, and take from them bad and short goods, they will not bring to the Company's warehouse such as they have contracted for, and the Company require. It appears also not possible to make them quit a path in which they gain a profit, and return to that in which they lose." Government also determined to alter it; directed the Resident to dispense with intermediate contractors, and to make his engagements direct with the operative weavers, or the merchant manufacturers, which was accordingly done. The arrangement for the new investment did not take place till late in the year; but the only hope of success was still founded on the absence of rivals from the market, or in the event of their return on raising the prices given for the Company's goods; the Commercial Resident observing, in one of his Minutes, that the manufacturers were likely to be "deterred from entering into engagements (with the Company), the performance of which they will be given to understand must be enforced, whilst they can certainly earn a better livelihood without controul or restraint." In another place he adds, "It is to be apprehended nothing but an increase of the present rates will prove an allurements to the weaver superior to the advantages held out to him by the Portuguese, or others." And again, (Min. 27th April) "To induce a voluntary engagement, but still more to encourage a faithful performance thereof, a liberal, fair, and adequate price must be given; or, from experience, I will not hesitate to say, I fear the Company's investment will continue, as it alarmingly has of late, to proceed with languor, and depend entirely on the non-arrival of the Portuguese in the market for its accomplishment."

1802.

In this year the investment was conducted on the new plan. Contractors dispensed with, and agreements made with merchant manufacturers, and operative weavers. The Portuguese agents do not appear to have been this year, and the last, so active as usual. After a great deal of difficulty, and some increase of price, engagements were entered into with the weavers of the town of Surat, to whom, as Lord Wellesley observes, "the intimation of



4th, 5th Para. Com.
Res. Min. 3d July.
7th Para. do. 14 July.
6th Para. 11th Sept.

a wish from a superior is always received as a command." Repeated advertisements were issued, inviting tenders for the supply of those goods required from the adjoining districts; but, as long as the weavers were left to the exercise of their own free-will and discretion, not a single tender it appears was delivered in. The Commercial Resident, however, exerted his influence, and at length persuaded them to engage to supply 150 corges of the goods required.

3d Para. Com. Res.
Minute, 14th July.

The Mussulman weavers, who provide chelloes and begutapauts, had deserted their profession in considerable numbers, preferring to enlist as Sepoys.

5th Para. do. do.

A private native merchant had also made advances to the weavers previous to the Commercial Resident engaging with them. This is stated as another obstacle to the completion of engagements for the Company's investment.

5th, 6th Para. do. 1st
Art. Min. 3d Aug.

The Khettries also decidedly objected to the Company's prices, but at length yielded.

4th Para. Secretary's
letter, 24th July, 1802.

Orders of Government also prohibit any great advance of prices; although, previous to this, many representations had been made to the Presidency of the great increase which had of late years taken place in the cost of cotton and thread.

2d, 3d Para. Com.
Res. Min. 11th Sept.

Khettries very backward in the performance of their engagements.

1st, 2d, and 5th Para.
Com. Res. Minute,
3d Oct. and Min. 10th
Nov. 1802.

In October, Commercial Resident reports, that notwithstanding his utmost exertions, not a quarter of the goods contracted for had been delivered in at the period stipulated for the delivery of one-half.

1803.

In the Diary of this year, separate paragraphs from the Court of Directors approve of the proceedings at Surat respecting the investment, and exhort their servants to further exertions, to counteract the competition of the Portuguese.



2d Para. Com. Res.
Min. 3d Jan. 1803.
3rd last Para. but one
of Co. No.

Investment of 1802 very much in arrear.

Difficulties anticipated (and evidently caused by insufficient price) in providing the investment of this year. The Commercial Resident observes on this head, viz. "That such a combination for enhancement of prices is intended, I have already information; and as the rates at which the blue goods were agreed for in the current investment were certainly low, it is probable some degree of relaxation may, upon this description of it, be necessary; but I am fully prepared to meet the merchants on the subject, and will be careful that equity is not sacrificed to their exorbitancy."

5th Para. Secretary's
letter, 10th Feb.

Government, in replying to this report, encourage the Resident to adhere to his determination of keeping down the prices.

April, 1803.

The difficulties experienced in completing engagements for this investment, are reported by the Resident, in a subsequent Minute, in the following terms: "I have now the honour of reporting to the Board, that after an infinity of trouble, arising from the combination among the merchants, anticipated in my last and former Minutes, I have at length succeeded in adjusting for the principal assortments," &c. These difficulties, it appears, occurred notwithstanding it is avowed there were now no rivals in the market. It is, therefore, clear these difficulties could only have been occasioned by the continued inadequacy of the Company's prices.

Min. 25th April.

Res. Min. 19th June.

In June, 1803, the investment of 1802 was still considerably in arrear.

Com. Res. Min. 3d
Nov. 1803.

A new competitor starting up in the market, the Commercial Resident states the further difficulties it has thrown in the way of his operation, and his apprehensions of consequent inability to complete the investment of the current year. His report is as follows: "Although no doubt ought yet to be entertained of the completion of our investment to the extent the resources of Government have allowed me to engage, it is nevertheless



my duty to inform the Board that a competition of a serious nature has, within this last fortnight, arisen in the town, under the immediate management of the broker, whom Nagurdass Curzondass employed during his contract.

"To guard against its ill effects, every precautionary measure which the regulations suggest, or that occurs to my own experience, in prevention of the clandestine sale of our cloths, has been adopted; my establishment of Peons is spread throughout the town, in the different streets inhabited by our weavers, and care is taken that no goods are put to the looms of those under engagement to manufacture for the Company but what are of the kind they are to supply.

"Our receipts have notwithstanding much diminished from the period of this competition opening; nor can such diminution be matter of surprise, under the circumstance of the parties in question holding forth so great an inducement, to the clandestine disposal of our goods, as an advance of a rupee per corgie upon the price fixed for our prime assortments, for those avowedly inferior, which they receive without any examination.

"The purchases making for the Portuguese ship now in Bombay, the speculations encouraged by the arrival of the annual ship at Mosambique, in her way to Goa and Surat, and the return of the Dane to those Roads for a cargo, principally of piece-goods, form with the above a combination against our progress, productive of much anxiety; the crisis of its occurrence is also unfortunate, in that the weavers, having received their final kists, have now to clear off their balances before other advances will be made them; and therefore is, of all stages of the investment, that wherein their deliveries (independent of such additional causes for it) are the most slow.

"Until we were thus opposed, our receipts of goods were in a proportion that gave every confi-



dence of collecting the investment, even within the period prescribed for it. My expectations thereof are now in course much lowered, but as my attention is exclusively devoted to this important point, the proportion I still hope will be inconsiderable."

1804.

The Court of Directors in this year remark, that the proceedings at Surat exhibit an "annual succession of vexation and disappointment;" and in respect to the quality of the goods, that "instead of amending the fabrics, they have been found only to diminish the merchants' deliveries by prompting them to seek higher offers of rival purchasers, by whom neither dimensions nor quality seem to have been attended to."

Vide letter to Gov. 19th Feb. and the three Statements enclosed.

Commercial Resident reports his great success in settling for the blue goods of this year's investment at *reduced rates of price*.

Minute in Diary, and Letter to Judge, 20th Feb.

Addresses the Judge and Magistrate of Surat to guard the weavers in the Company's employ, against suits in the Adaulats, on account of debts due by them to individuals, lest these just debts should be paid from the advances made to them for the Company's investment.

Min. and Letter to Gov. 12th March, with enclosures.

Commercial Resident reports his further success in settling for the red goods of the investment.

Min. 20th March.

Proposes to arrange with the Kulmee weavers for their stipulated proportion of red goods, and gives them 15 days to consider of his terms.

Min. and Letter to Judge, 5th April, April.

The Kulmees not coming to terms, the Commercial Resident addresses the Magistrate, desiring that the penalty of an old agreement these weavers had executed with the government of Bombay, some years ago, "may be enforced by liberty to weave being taken from them until the Company's goods are put into a satisfactory train of provision."

Two Petitions recorded in Com. Diary, 18th May.

The Kulmees petition the Commercial Resident to be allowed to pay a considerable fine also, specified in their aforesaid agreement, rather than



work for the Company on the terms proposed, and which fine it appears had been exacted from them in former years.

Min. 10th July, and
Letter to Judge. Do.

Commercial Resident agrees to receive this fine from the Kulmees, amounting, as he observes, "to a penalty of 35 per cent. as the condition of their being restored the liberty of weaving, and applying the proceeds to cover the extra price, at which alone he finds he can procure the goods elsewhere. This act passed in the first instance on the sole authority of the Commercial Resident, who refrained for some time from reporting it to Government; but when the large amount of this fine is considered, and that it was paid for the privilege of being exempted from working for the Company, will it not be thought still more extraordinary that the Commercial Resident should report, on this occasion, that "*the cast, one and all, joyfully acceded to the arrangement?*"

Min. in Com. Diary, no date, but certainly subsequent to August. It begins "The Hon. Company having, for this year's investment, been pleased to order the provision of 1250 corges of blue byram-patis," &c.
Do. Saturday 4th, beginning "After a infinity of trouble," &c.

The investment being required at the Presidency before the end of December, coercive measures were resorted to to enforce it; a stoppage of all work for any body but the Company was now ordered, and the dyers of the blue goods having been assembled at the warehouse, were made to agree to colour these goods at the rate of 21 R. per corg. This price it appears was much too low, and the more especially as indigo was at this time rather scarce at Surat. The dyers accordingly tried, by every means, to evade this agreement, offered to pay a fine, as the Kulmees had done, of 35 per cent. to be excused working for the Company, but all in vain. At length they became exceedingly tumultuous, complained loudly, by all those means common to Indians, of the hardships they sustained. They also complained to the Adaulut, but the Commercial Resident complaining at the same time, the weavers were punished; after which wholesome instruction, they promised to go on with the Company's business.



Same Minute.

At the same time the Commercial Resident was further disappointed in respect to cloths called dooties, contracted for from Dubhoy; and, of his own authority, reduced the contract price of these goods, on plea of their quality being unequal to muster. The Commercial Resident had before boasted of having engaged for these goods at a lower price than that of former years; but it is quite obvious from these proceedings that even the former price was too low, and the main cause of past disappointments. As might be expected, inferior goods were produced; and as if this evil were not sufficient the reduced price was, by way of punishment, arbitrarily reduced still lower.

1805.

Com. Res. letter, 29th April.
Sec. ditto, 6th June, and Enclosure.
Com. Res. ditto, 14th ditto, and Enclos.
Ditto ditto, 10th Oct.
Sec. ditto, 26th Nov.
Com. Res. ditto, 13th Jan. 1806.
Sec. ditto, 24th Jan. and Enclosure.
Com. Res. ditto, 28th Feb.
Sec. ditto, 11th Apr.
Ditto ditto, 21st May.
Com. Res. ditto, 15th Sept. 1806.

The fine levied from the Kalmees is thus described by the Commercial Resident, "The quantum of goods thus falling to the share of, and provided by me for, the Kalmees is 95 corges, and the amount received from them as their penalty is 3,325 rupees, being 35 per cent. on the estimated cost of them at 100 rupees per corgé."

The Commercial Resident having provided these goods by his own exertions, as he says, applies to Government for leave to divide the fine between himself and his assistants. This occasioned a long correspondence with Government, in which the latter decided, that the Commercial Resident had no right to levy the fine. After this decision, can it be credited, that the Bombay Government still authorized the Resident to pay his own personal or travelling expenses, incurred in the provision of these goods, out of the fine, and to pay over the residue to the Surat Town Committee, to be laid out in cleaning or improving the town? The record, however, proves this to be the fact. The same record shows that similar fines were levied on the Kalmees in 1802 and 1803, to the amount of 5,250 rupees, making, therefore, altogether 8,575 rupees,



levied in three years from this unlucky tribe; and though these are *repeatedly* declared by the Bombay Government to have been unauthorized exactions, I do not find that a single rupee of the amount was ever ordered to be restored.

Comp. Res. letter 15th Sept.

Manufacturers at Broach combine to resist the prices given for the Company's goods.

1806.

Cotton.

Minute, 15th Feb.

Ditto, 16th March.

Letter to Judge ditto.

Minute, 17th March.

Ditto 18th ditto.

Judge's letter, 17th do.

Min. 19th & 20th do.

22d ditto.

In this year the Company recommenced dealing in cotton, and here we find a combination of the cotton cleaners complained of to resist the Company's prices. The Commercial Resident complains to the Judge, and the refractory, as they are termed, are punished, *by being publicly flogged*. The following minute by the Commercial Resident is sufficient to show the spirit in which this branch of the Company's trade is also conducted :

"Having assembled the cotton cleaners at Hansoot, for the purpose of adjusting the conditions of their cleaning the Honourable Company's capaas, (cotton) the Commercial Resident is concerned to find that the same spirit of disaffection, which he had information had shown itself at Occlaseer, has likewise spread to this place; but *as such combinations are not only unjustifiable, but highly illegal*, and, therefore, cognizable by the magistrate; the Commercial Resident deems it his duty to dispatch the ringleaders to Broach, with the following letter."

The Judge's reply is as follows:

TO COMMERCIAL RESIDENT.

"SIR,

"I have the honour to acknowledge the receipt of your letters of yesterday's date, and regret the delay and trouble the Hansoot cotton cleaners have given you; and which the orders issued a few days ago, *at your suggestion*, were, I conceived, calculated to prevent.



"The three cotton cleaners you sent to the Adaulut, as being foremost in the combination formed to resist the orders issued to them from hence, appear as well from your letter, as from their own statements, wilfully and wantonly to have combined for the purpose of impeding the Company's cotton business, and frustrating the orders of Government; they have, therefore, been sentenced each to receive 18 rattans at Hansoot, which, it is hoped, will have the desired effect of putting an end to the combinations and opposition you with so much reason complain of.

"I have ordered a Meetah with a party of police to proceed to Hansoot, to carry the above sentence into execution; and the former is directed to take a list of the names of all the cotton cleaners, and the number of Cherkahs belonging to each; and the whole to aid and assist you in procuring people to work them, should the owners still persist in their unwarrantable conduct.

"I have also sent a Meetah and a party of police to Occlaseer, to take a list of all cotton cleaners and Cherkahs in that town; and I have ordered a second advertisement to be published in both towns, warning those people of the consequences, which cannot fail to be the result of their attempting to persist in refusing to perform the Honourable Company's business; and I shall be happy to hear from you that those measures have the effect of obviating the necessity of proceeding to any further severity with them."

I am, &c.

Signed by the Judge.

2d Para. Sec. letter,
13th March.
Minute, 27th March,
25th April.

Government order the prices of the piece-goods investment to be kept down, and as much as possible within the rates prescribed by the Court of Directors. The Commercial Resident states his inability to effect it. The price of indigo and thread had now so considerably increased, that the manufacturers of the blue goods expected an aug-



mentation of price equal to $6\frac{1}{2}$ rupees per corgé. This the Resident deems far beyond what he is authorized to allow, but draws out a contract at $2\frac{1}{2}$ rupees increase on the former price, leaving it for those to subscribe, who shall be satisfied therewith, adding, at the same time, that "although he is sensible this advance is far from bearing a just proportion to that in the price of materials, he does not consider himself possessed of authority to extend it."

Minute, 25th April,
16th May.

On another occasion he observes, that "some of the principal merchants were *prevailed upon* to acquiesce in these terms, and subscribe their contract; but *it was with an evident reluctance*, and, as they declared, to a certain loss."

2d Para. 3d May.

Court of Directors, in letter 19th June, 1805, say, they had not received above half the amount of their indent of last season. This investment had now considerably diminished in quantity, and the difficulties of getting goods are reported to have considerably increased, owing to the inadequate prices given by the Company, although there was now no competitor in the market.

Com. Res. letter, 16th
June.

Cotton.

4th Para. Judge's letter,
26 June, 1806.

In consequence of the Company's monopolizing the screws and warehouses for cleaning cotton, till the close of the season, one third of the whole produce remained with the Ryots unsaleable. The Judge recommends, as a remedy for this in future, that the Company should also monopolize the whole of the cotton.

Ditto, 30th June, 1st
Sept.
2d and 3d Paras. C.
Res. letter, 3rd Oct.

Cotton.

Rev. Com. letter, 4th
Nov. 1806.

The Court of Directors having sent out orders, dated 30th April, 1806, desiring measures to be taken to effect a *general* reduction in the price of cotton, the Revenue Commissioners in reporting thereon, confine themselves to devising the means of reducing the price of the Company's monopoly cotton only, or that already exacted from the Ryots, at prices lower than those of the market.

In the latter end of 1804, the dyers of blue goods were represented as very troublesome, owing



to the inadequate rates at which they were paid for their labour. In the beginning of 1806 we find their case more fully explained in the following minute :

“ Saturday 4th. After an infinity of trouble, which the Commercial Resident has, on no occasion, had equalled in his transactions regarding the investment, he has this day succeeded in reducing the exorbitant demand of the indigo dyers, for colouring the byrampauts of this investment, from 35 rupees per corgé, to 26 rupees. That there is ground, in the unprecedented increase of the price of indigo, for expecting an advance of the rate last year allowed them, (21 rupees) cannot, indeed, be denied, but the insolence with which they have demanded, and the effrontery with which they have persisted, during the last six weeks, in refusing to colour the Company's cloths for less than 35 rupees per corgé, had so far outstripped all bounds of propriety, *and that degree of deference, which is certainly due to the Honourable Company's concerns, by those who have the happiness to reside under their government,* that the Commercial Resident would have been compelled to require the assistance of magisterial authority, had not the dyers consented to this adjustment, which, as a last offer from him, the Commercial Resident had made them.

“ That this rate of payment far exceeds the expectations of the Honourable Company, as stated in their estimate, the Commercial Resident is fully aware; but he is also confident that more moderate terms could not be settled with the dyers, who, even for this rate, show a reluctance to undertake the business, which it is accordingly agreed shall be divided among the Panchaat, each individual colouring a proportion of the Company's goods, to be fixed according to that, which he may have coloured during the year of the goods of individuals.



"As a further aid to the judgment in duly appreciating the adjustment which has thus been made, the Commercial Resident thinks it right to record the following memorandum.

"The price of indigo in the year 1796, was from 54 rupees per maund, to 30¹ rupees, according to its quality, at which time the contractors for the Company's investment paid the indigo dyers 16¹/₂ rupees for colouring their byrampauts, and the Portuguese merchants paid 15¹/₂ rupees for their goods of similar description.

"The price of indigo in the current year (1805-6) is, from 95 to 70 rupees per maund, according to its quality, and the Portuguese merchants have paid 28¹/₂ rupees for their goods of similar description to the Honourable Company's, from both of which instances it results that the price now paid is, to the full, as favourable to their interest, and, at the same time, as equitable to the dyers, as attention to the one and justice to the other could require."

Notwithstanding this boasted adjustment, it was soon found that the dyers again refused to colour their allotted share of the Company's byrampauts, on which occasion the ringleader, as he was termed, was seized and sent to the Judge of Surat, with a statement of the case, which concludes as follows: "The obstacles the Commercial Resident experiences from this Puchant, collectively and individually, in the execution of his duty are incessant, and render it impossible for him to obey the orders he is under from Government to expedite the dispatch of the investment; wherefore, he requests, that such an example may be made of the said Hussun Golaum Mahomed, as will deter others from similar obstruction."

1807.

Minute, 2d Feb.
Com. Res. letter, do.
Sec. ditto, 10th ditto.

The dyers are here again found to resist the Company's prices, and refuse to work for the



Com. Res. to Judge,
16th Feb.

Company, except at the rates they have demanded, viz. 35 rupees per corga. The Commercial Resident, by order of Government, applies to the Adaulat to compel their labour at the reduced price tendered by him, and to punish those whom he supposes to be the principal offenders, for he declares he cannot identify them.

Sec. letter, 11th Apr.
Ditto (2d, 4th, Para.)
25th May.

Com. Res. letter, 10th
June.

Sec. (2d Para.) 26th
ditto.

Com. Res. 16th July.

Ditto (2d, 3d, 4th, 5th,
7th, 8th, Paras.)
12th Sept.

Com. Res. 22d Oct.

Ditto, 9th Nov.

Minute, 27th Dec.

Government order investment for this year not to be provided till prices fall. An indent from the Court arrives for the year 1807. The difficulties attending the provision of it are reported, whilst the quantities supplied last year, and expected in this, fall considerably short of the Company's indents; the Commercial Resident adding, "if a liberal price be allowed, no disappointment or failure need be apprehended." There were rivals, it appears, in the market previous to the arrival of the Company's indent for the year. This may have increased the disinclination, manifested throughout on the part of the weavers, to work for the Company, but in this year it is as marked as ever, and inadequate prices the avowed and sole cause. The instances of this spirit, particularized in the Diary, being of the same nature as those already given, it is not thought necessary to multiply these extracts any further.

1808.

Com. Res. letter, 20th
March.

Sec. ditto, 25th ditto.

Com. Res. ditto, 27th
April.

Sec. ditto, 29th ditto.

Chief and Com. Res.
ditto, 10th May.

Com. Res. ditto, 14th
Aug.

Fresh difficulties (arising from the same cause) experienced in the provision of this year's investment. It is admitted there are no competitors in the market. The Chief of Surat, and Commercial Resident, in reply to a call from Government, jointly report the causes of the weavers' unwillingness to work for the Company, in which are the following paragraphs:

"To trace the causes of reluctance, however, to their source, the Commercial Resident observes, that he has had frequent meetings with the manufacturers, at all which they have assured him of



their readiness to give the Company a preference, if they could work for them at a moderate profit; that many of the subordinate workmen, who have formerly been employed by them in weaving goods for the Company, have embraced the more profitable employment offered by foreign brokers, so that there are but a very few, who can now work such goods as the Company require, and that they must do to a certain loss.

"Under these circumstances it cannot be expected that manufacturers would willingly accept of the Company's employment, otherwise than as they do, or as a matter of consequence, perhaps as the means of affording them something to do during the absence of other competitors. It must be obvious, that they will prefer that offer, by which they can acquire most, and as they can, by their own confession to the Commercial Resident, realize more for a defective article, which requires less time and less labour to complete, so may we venture to pronounce, that nothing but the same encouragement on the part of the Company can lead to the re-establishment of their investment at its former extent, or *that they can otherwise than by an increase of price secure to themselves a preference of the willing labour of the manufacturers.*"

1809.

Com. Res. letter, 23d April.
Ditto, do. 12th June.
Sec. ditto, 3d July.
Com. Res. do. (with Enclou.) 28th and 31st ditto.
Sec. ditto, 12th Sept.
Mtn. and Com. Res. ditto, 20th Nov.
Com. Res. do. 4 Dec.
Sec. ditto, 30th Nov.
Com. Res. ditto, 14th Dec.

The difficulties in this year were found to be insurmountable without raising prices. Although Government declared they would forego the investment altogether rather than augment the price, they were at last obliged to give way. Government ascribe the blame of this augmentation to want of exertion in the Commercial Department, from which the Resident justifies his conduct. This affords another proof how difficult, if not impossible, it is for the weavers to get those prices which the state of the market warrants, when the Company have an adverse interest to be attended to.



The letters referred to in the margin would afford many very strong and striking extracts in point, but it would probably fatigue the reader to extend them further.

1811.

Letter from the Judge and Magistrate of Surat, dated 28th January, reporting on the causes of the weavers' unwillingness to work for the Company, accounts for it by stating, that "The manufacturers get larger prices for working inferior goods for the Portuguese and Arab merchants, and even for Bazar sales." This letter is important, as being the testimony of an impartial observer on the spot; but the argument it contains being merely to the same effect as those of a former Judge of Surat, given in the above extract (1808), of a joint report from him and the Commercial Resident on the same subject; it would be superfluous to repeat them here.



APPENDIX VI.

COPY of a Letter from a Native Agent in Surat, to his Principal in Bombay, on the Subject of the Guzerat Cotton Trade, dated August, 1808.

THE following letter was delivered to me by a great native merchant in Bombay. It was written to him, as will be perceived, by his agent in Guzerat, employed to purchase cotton; and as it was not intended for any other than the inspection of his own principal, it may fairly be concluded to contain his own unbiassed sentiments, founded on personal experience, of the state of the cotton trade in that quarter. It was translated from the original by the merchant who delivered it to me, which will account for the bad English in which it is given.

Translation of a Letter from Deensaw, at Surat, dated Sumbut, 1864, Shravan vud, 5th Thursday, (11th Aug. 1808.)

“Having perused the circumstance you have written, relative to the impediment on the part of the Sircar, on account of Cuppass and Roo, or uncleaned and cleaned Cotton, at Broach, &c. places; you desire me to state my answer in detail. Be it known to you, that the Sircar has established a rate for Cuppass belonging to the Ryets of Broach and Anklessar, at 42 Rupees per Bhar. In the year 1864 this Cuppass was purchased and distributed amongst Wackarias, or Cleaners, at the rate of $2\frac{1}{2}$ Bhars, and 4 Durries; and for such distribution taken from each of them one Candy of Cotton; one Bhar makes 20 Dhurries, and 20 Dhurries make 24 Maunds, thus they account for it. In this manner the Broach Cuppass is converted into Cotton, and the same predicament is observed relative to the Cotton of Anklessar, although the Anklessar Cuppass is thin, and productive of less Cotton, yet the Ryets oblige to make good the difference to the Cuppass Cleaners, to answer equally with that of Broach; thus I understood heard have written to you. In the Mhratta Government, there was a little tax



leaved upon the crafts, when they were procurable in abundance; whenever wanted they used to get them without least difficulty; but now in the English Government they were leased out for a large sum; the farmer has, therefore, employed his own crafts, which was the cause of their being less in number, and high in rate of rent, which, although paid, yet the crafts are improcurable, the farmer deny giving them; by this the bales were detained for two or three days, still the farmer desires to have a patience, because the crafts are not to be paid in great number, and says, better to wait until they return. In such case should the Sircars bales are to be exported, the farmer says the crafts are to be provided for that purpose in preference to others. In the year last the merchants obliged to detain shipping their Cotton for a fortnight, such merchants as had complained to Mr. Prendergast against the farmer for the supply of crafts got them a little sooner, but others were obliged to wait until the crafts could be spared. In the last year on the subject of the farm of these crafts, a petition was presented to Mr. Prendergast, in order to forward it to the Honourable the Governor in Council petition, it was prayed in the body of the petition that the amount produced from the farm the merchants are willing to make it good from their Cotton; supposing it to be $12\frac{1}{2}$ Reas on each Candy, or whatsoever; but as it was not the former custom, and is now prevalent, causes a great impediment, therefore it is requested that the same to be discontinued as it detains our goods, the fluctuation of winds causes the cotton to remain here, which occasions a great expences. In this manner we prayed in the petition, after obtaining signatures of all the merchants, I had signed and presented it to Mr. Prendergast, who enclosed the same to Government. I then returned to Surat, and do not know what was the answer, the petition was presented in the year 1863, I conclude, from the same rule in existence in 1864, that the kind benevolence of the Honourable the Governor upon merchants has been diminished. Mr. Prendergast preserves great regard on the merchants, but it is out of his power, and he is unable to interfere in this Sircar's transactions. On this subject I discoursed good deal with the Judge; but now if a person of your rank should interfere in the matter, the merchants would be free from the impediment; after all, God's pleasure! the Cotton screws belonging to individuals are under the command of the Sircar, should any Cotton be brought by merchants from any other



Purgannah, they are deprived from getting the same screwed at the screws; should the quantity of Cotton be small, and the owner would desire Cursetjee Cooverjee to have it screwed, he is allowed with much hesitation to screw the same but at night; under the plea that the screws are greatly occupied in the day-time by the Sircar's work, by which the working people were much tiresome. In the present instance, with much difficulty, permission was obtained for screwing wet Cotton at night, notwithstanding the risk attendant on account light; however, we could not help for that, and cannot pass without exposing to any danger that may arise from this prejudice. Further, we are obliged to freight boats previous to our Cotton being screwed; afterwards, with much trouble and delay, completion of our cargoes is effected. In the present year the merchants boats were not allowed to set sail until they all join together; by this, on the close of the season, even a number of the Sircars, as well as merchants boats, obliged to remain behind. That all the Wackarias or Cotton cleaners machines at Broach and Anklessar are also under the command of Cursetjee Cooverjee, should Cotton, the growth of other Purgannahs, be committed to the charge of Wackarias, or the Cotton machiners for cleaning, they agree to do it, but require previous permission from the Sircar which never granted to them. Some of the Cotton screws at Broach are rented by the Sircar, by paying rent to their owners; the others are ordered by the Sircar to shut; should any merchant incline screwing his Cotton in the shut screws, and apply to Bharbund or screwing people for their assistance, it was never procurable without Sircar's permission. All the Biggarees on the shore of the river are strictly enjoined by the Sircar, not to ship the goods of merchants before the Sircar's goods are first shipped, whereby the merchants oblige to wait till it is done. The insufficiency of Biggarees creates a great expence and trouble. In this manner there are many matters, how far am I to state? You are at that place you do not know this circumstance; we are suffering a great prejudice, which is endless to state. I am sensible that the prejudice which we encounter was not by order of the Sircar, but it seems to be the act of those under the orders of the Sircar. The principal gentleman, Mr. Wren, under whose command Cursetjee acts according to his own record. The Judge bears great kindness on the Ryets, but it is out of his power to interfere in the Sircar's affairs, though he is well acquainted with



every thing; when we apply and explain to him any of such circumstances, he deny taking cognizance because the business is with the Sircar*.

* By this and other passages of the like import, the writer means that the Judge refuses to interfere to the prejudice of the Sircar's business, or, in other words, to aid them, until, according to the orders he has received, the Company's business is first done.



APPENDIX VII.

EXTRACTS of Letters relative to the Salt Monopoly in Bengal.

THE following extracts of letters give a picture by an eye-witness of the state of the salt works in Bengal. Names are for obvious reasons omitted; but the authenticity of the letters may be relied on. The facts detailed as having occurred under the writer's personal observation must be referred to a period, not later, as would appear from one of the letters, than the year 1798; but many of these facts are of a nature not likely to be altered in later times; and, therefore, however much the salt system may have been ameliorated in some respects, we may reasonably conclude many of its evils continue in equal force. But supposing it to be divested of all the cruelties and compulsions under which it was formerly, and may still to a certain degree be, carried on; the system itself, considered as a part of our Indian revenue system, and its necessary effect as an enormous tax upon an indispensable article of life, would still in my opinion be highly objectionable; and so far from joining in the wish of the Supreme Government *, to see this odious monopoly extended throughout the whole of the Company's territories in India, I should, with the poor natives, joyfully hail the day in which it might be effectually, and for ever, abolished.

Extract of a letter dated in May 1818.

"So long a time has elapsed since I was in the Sunderbunds, that I really do not recollect the number of persons employed at that time in the manufacture of salt there. The mortality to which I alluded was communicated to me by the Aumlah, at Culna, and was said to have taken place during the agency of Mr. S. Ewart: it applied, *I believe*, to the Roymungal exclusively. I think 8 per cent. would not be too many to calculate the mortality at generally throughout the salt works, in the Sunderbunds, annually."

* See Notes C and D, page 36.



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D.		C.	
Third Report, Appendix 2.	Money borrowed on loan in India, between the years 1792-3 and 1808-9, or INCREASE OF DEBT AT INTEREST.....	£. 19,959,897	
Ibid.	Money received on bills, deposits, &c. in the same period or increase of FLOATING DEBT.....	945,997	£. 20,905,194
SUPPLIES FROM ENGLAND, viz.			
Third Report, Pa. 8, and Appendices there referred to.	Goods and stores, per Invoices, stated to amount to.....	£. 12,247,296	
	Short deliveries to be deducted.....	357,185	
		11,890,111	
Appendix 3.	Bullion.....	7,360,752	19,250,863
Third Report, Page 9, and Appendices, referred to.	Bills of Exchange on the Court of Directors, including those for principal and interest of the debt, amount paid in London.....	15,489,575	
Appendix 3.	Received on sundry Accounts.....	393,372	
		£. 56,039,004	
Balance to be accounted for.....		2,273,993	
Third Report, Appendix 11.	Excess of political charges in India.....		£. 5,078,015
Appendix 12.	DISBURSEMENTS, principally COMMERCIAL, or in direct supply of England; viz:		
Appendix 4.	Commercial charges not added to the Invoices.....	£. 2,316,279	
15 and 16.	Amount of investments actually consigned to Europe.....	25,407,099	
4.	Supply to Canton net amount.....	3,313,654	
Ibid.	Advances to commanders of chartered ships, on account of freight and demurrage.....	£. 946,422	
Ibid.	Ditto on freight and on rice ships.....	182,358	1,128,780
Ibid.	Advances on account of His Majesty's navy, &c.....	£. 402,069	
Ibid.	Ditto to the governor of Ceylon, on his bills upon His Majesty's government.....	318,246	
Ibid.	Ditto for ships building for His Majesty's service.....	193,468	913,778
Ibid.	Advances upon sundry accounts, for which London is debited.....	286,678	33,966,266
17.	Advances on account, Ceylon and the Eastern Islands (not included in territorial charges) repaid in England.....	£. 1,223,571	
Ibid.	Advances on this account (not included in charges) not admitted.....	437,774	1,661,345
18.	Payment to private creditors of Nabob of Arcot.....		1,058,953
19.	Ditto to private creditors of Rajah of Tanjore.....		64,044
22.	Loss on remittances and consignments, from port to port, in India.....		873,405
23.	Losses at the several Presidencies not included in the charges.....		461,428
2.	Increase of assets in so far as it was produced by the application of Indian Funds, at the Three Presidencies and Fort Marlboro'.....	£. 3,298,666	
Third Rep. p. 8.	Increase of import goods in the warehouse.....	739,252	
Ibid.	of stores.....	634,346	
Appendix 25.	of dead stock, furniture, &c.....	729,291	10,401,555
Ibid.	Increase of dead stock in India, estimated to have been purchased by Indian Funds.....		200,000
	Balance to be accounted for.....		£. 53,765,011
			2,273,993
		£. 56,039,004	



Extract of a letter dated in April 1812.

"Coinciding, as I most perfectly do, in opinion with yourself regarding the natives of India, reflecting upon the unhappy and abject state some thousands (perhaps millions) have from generation to generation been kept in; and considering the practicability of such state being at the least ameliorated, together with the justice of it, I feel fully disposed, and shall be extremely gratified, to be in any degree instrumental in effecting so desirable an object. Such information, therefore, as I can now, or at any future period, afford that may be useful in the business, I shall most cheerfully contribute.

"Before I proceed I must beg you to recollect that between fifteen and twenty years having elapsed since I resided in the Sunderbunds, many circumstances that occurred under my observation, whilst I was there, have escaped my recollection, and that I may not perfectly remember others, to which I shall now advert. I will, however, relate as faithfully as my memory will enable me.

"Very soon after my arrival at Culna, at which place I principally resided, during my sojourn in the Sunderbunds, it was evident to me, that the system pursued in supplying the several aurguns with minedaurs, or salt-workers, was incompatible with the interest of a permanent trade, and extremely repugnant to common feeling. To the day of my departure I had no reason to alter my way of thinking: I should rather say my conviction, from that which I had heard and witnessed, of the reprehensibility of its principles, was confirmed and strengthened. The agents saw the evil as well as myself, and I think represented it to the Board of Trade. I am confident of having stated to both Mr. Champion and Mr. Mackenzie several circumstances of cruelty that came before me; and to the best of my recollection Mr. M. either transmitted my statement, or addressed the Board particularly on the subject.

"In order that you may the better understand the nature of manufacturing salt, or rather the difficulties and dangers attending it, it will be necessary to enter a little into the detail. At the time alluded to Mr. Champion held the Jaynaghur; Mr. Tilman Henckell, or Mr. Richard Locke, the Roymungul agency. A short time subsequent to this, the latter agency was re-annexed to the former. The principal stations at which the Aumlah attended, and where advances were made, were Jaynaghur, Culna, and Choopnaghur. The Golahs were at the two former places, and at Henckellunge.



The Aurungs, for which advances were made, were many, and situated in the heart and in the uninhabited parts of the Sunderbunds. To these places the superintendents and labourers were dispatched in the month of December, and remained until within a very short time of the commencement of the periodical rains. There were two descriptions of places, or enclosures, in which the salt was manufactured: one denominated Jaul, composed of eight, the other, Kautjanlee, of fourteen to sixteen men; these, however, were very frequently incomplete.

"The advances were made by the agent to men denominated Molunghes; who were, at least represented to be, persons of some property, who contracted to furnish a given number of Jauls with workmen, &c. and to deliver in the Aurungs' salt at a specified rate and measure. These Molunghes engaged labourers themselves, and employed, that is, made advances to others to procure them. Here began the evil: the Molunghes, naturally anxious to make the most of their contracts, and possessing much power from the number of Peons they necessarily employed, and that were authorised by the agent to collect the labourers, hesitated not to *force* advances upon any they considered suited to their purpose; that is, they would put into their hands, or turban, or other part of their dress, one or two rupees; and would afterwards, if the labourer found means to complain against them, suborn evidence to prove the money having been *voluntarily* received in earnest of their services to work in the salt Aurungs. Some they would inveigle, others (and I fear the greater number) they would seize and have conveyed to the woods, *vi et armis*. Situated as the places of manufacture were, up small creeks in the midst of jungle infested with wild beasts, and surrounded by rivers, teeming with aligators, worked and watched day and night by the emissaries of their masters, escape was next to impossible. Several, however, setting these dangers at defiance, or, more probably, preferring death to slavery so exercised, made attempts to return. Many were doubtless devoured by tigers, drowned, or otherwise destroyed. A few reached their homes; some of whom were, in all likelihood, again seized and sent back. Some of the few came to me, and deposed that they had been seized by certain (naming the) persons, and, together with many others, I do not recollect the number, bound and put on board a boat, *under the hatches*, and conveyed to the salt works; that they never had given their consent to go, nor had



they ever received an anna on that account. Their depositions were transmitted to the agent; the parties were summoned; but, as the Molunghees could always command witnesses to negative and disprove, the only restitution that could be afforded to the injured was their liberty. I may here observe, that had the boat, by any accident, been swamped or upset, the poor creatures, confined as they were, must inevitably have been suffocated. Upon the breaking up of the manufacture, the *remains* of the labourers were brought away; very many of them in an emaciated state; the effects of bad air, bad water, hard work, and unkind treatment. Conscious of the power, and unfeeling minds, of their masters, a small part only dared to complain; those who did, told a lamentable tale. Although among so large a body of men, it must be expected their statements would vary, yet was there no difference in regard to the great and leading point. I mean here to apply my observation to those who had not voluntarily received advances, *viz.* that they were taken from their houses, from the fields, and other places, carried by force to the Aurungs, kept there by compulsion and made to work; during which time their families were left to shift for themselves, many of whom were totally in the dark regarding them. Some acknowledged having received, whilst in the woods, a *few* rupees; others two or three only, and some not a pice! I believe very few, indeed, received what they were promised—fewer what they ought. Whenever the Molunghees were detected, or incontrovertible proof established against them, which sometimes was the case, of having used coercive measures to procure hands, they sheltered themselves under a plea most arbitrary, and involving in its operations the most flagrant injustice: it was, that having discovered a forefather had been employed in the salt works, a descendant had no right to refuse; so that they considered themselves authorized, to compel every one to serve whom they could trace of the stock of one who had been ever, and in any manner, concerned in the manufacture. By the bye, whether or not this could be traced, the thing itself served as a pretence, and was made to answer their purpose. Unfortunately this opinion obtained with the natives in that part of the country generally; so that the agents Aumlah even felt its force, and were perhaps on that account less active, in resisting the imposition than otherwise they would have been.

“I have observed above that the *remains* of the Minedaurs were, after the season of manufacture, brought home. I consider my-



self warranted in this expression, and believe you will, when I say I had good reason to believe many hundreds who annually were sent to the Aurungs never returned.

"This extraordinary mortality was owing to a variety of causes, the principal I ascribe to unwholesome air; numbers were destroyed by tigers and alligators; some were drowned; many fell a sacrifice to the Sunderbund fever; some died mad; and some, I believe few, compared with the aggregate, had natural deaths. A much greater number were destroyed by tigers and alligators than I could have believed, had I not been on the spot; so, at least, it appeared by the returns from the European overseers and Aurung Amulais. That many were dangerously wounded by these animals I had ocular demonstration in numberless instances; scarcely a boat with the accounts arriving at the station I was in, without one or more of these poor fellows disabled by either scratches or bites, the loss of a leg, a foot, a hand, an arm, an eye, &c. &c.

"In one season, at an Aurung, on the Jaynaghurside, (I cannot recollect the name of the place,) the people sent thither found much difficulty in effecting a landing, on account of the number of tigers. They sent an express desiring goats, &c. might instantly be dispatched to them to *make poojah*, in order that they might invoke the aid of their tutelar deity. This was immediately done, but in vain; the place was not tenable; the people were dispossessed by the tigers, after three days resistance, with the loss of thirty-three men; and this Aurung was never recovered.

"The returns of the dead each season of manufacture, during the period of Mr. Simon Ewart's agency, amounted, upon an average, according to the black accounts, to about four hundred. There is room to believe, as many more dropped after they had left the Aurungs, from the effects of disease engendered there. At the time Mr. Goodlad took charge, he was so much surprised at the mortality, that he exclaimed, 'This is making salt through the blood and guts of the people.' I dare to say that this gentleman, by his influence with the Board of Trade, adopted measures to not only prevent, as far as human means and foresight could prevent, the number of deaths, but also those arbitrary measures so long exercised of procuring labourers for the service of the Aurungs. The salt manufactured in the agency Mr. Goodlad conducted (the twenty-four Pergunnahs) was upon a quite different plan to that of the Roymungul. I fancy it was carried on in a way something similar to the manufacture of salt, in what is termed the



Desay Callarees; where little is to be apprehended from wild animals, and no more from bad air, than in any other places in the lower part of Bengal.

“Although much may have been done in relieving the distressful state of the salt-workers, and in correcting the abuses that subsisted twenty years ago; yet do I conceive much remains to be done; and it is reasonable to infer, that not any mode will prove efficient, whilst the ostensible part of those engaged by the Company are countenanced, I may say, in their lawless practices, and until the labouring part can have that evincing assurance, that injustice shall not with impunity be exercised against them, by any description of their superiors. I do not presume to point out the means by which this could be effected: one step towards it would, I conceive, be the removal of the salt works to (if possible) habitable and more accessible places. Another—if a greater number of European and a less number of native servants were employed at the stations and in the woods: the servants in these several departments being, with the exception of an overseer to each Aunung, all natives; and the detail of the business passing principally through their hands, it is impossible the agent can be aware of many of the impositions practised and admitted by them. The Peons acting under them, as well as under the Molunghees, are, generally speaking, an unfeeling set of men, and are frequently guilty of very oppressive acts, few of which come to the knowledge of the agent, and fewer in time to afford redress to the aggrieved.

“Although from the peculiar situation of the Sunderbunds, from the circumstance of the manufacturing places being, more than many others, out of the way of the observation of the Company's officers; from the prejudices and local usages of the inhabitants of that quarter; and, possibly, from the less cultivated, or to speak perhaps more properly, the barbarous state of the lower order of people there, impositions and abuses may be more prevalent than in other parts of India: yet there is no doubt, that in all the provinces, illegal and oppressive measures have been too often resorted to. From what I have witnessed, and information obtained from the natives, I believe, that in the Commercial, Revenue, and Judicial, Departments throughout the country, numberless abuses and cruelties exist. I have no doubt that in the first, a considerable part of the advances made by the agents for the Company are withheld; the article advanced for undervalued, under pretence of lack of measure or inferior quality; and these oftentimes taken



at a price below the cost even of manufacturing. In the second, that those employed under the Collectors, to receive the rents from the Talookdars and Ryots, too frequently insist upon more than is justly payable. And, with respect to the third, you must be well aware, how difficult it often is to any one almost to even obtain a *hearing* in some of the Country Courts; and how much reason there is to believe, many pay for it sums proportionate to the importance of their cause. Under such circumstances then, how remote, how discouraging must be the prospect of redress to an injured and penniless dependant!

There is another branch in which, from the information I have been able to collect, much injustice and cruelty are exercised, consequently claiming particular attention. This is the manner in which Lascars (as they are called) are procured for the ships. The commanders being, as we express it, birds of passage; it is not likely they should be much acquainted with the customs of India, nor can they know how to have their wants supplied, but through the medium of agents; to these therefore they apply. The agents, in all matters that are not immediately under their eye, direct their Banyans to furnish what are wanted, amongst other things Lascars. The Banyans give orders to the Sircars under them; these, in their turn, send Peons and Burkanahs for Serangs, whom the Banyan engages to go the voyage, and contracts with them to find Tindals and Lascars, and I think provisions also. As we know the Banyans have a feeling in all that passes through their hands, there is little doubt of their securing a *douceur* in this transaction. The Serang enters into an agreement to have the men ready at a given period; in this he is pretty punctual: they are generally on board ship a few days previous to weighing anchor, and the captain seldom sees them sooner. The Serang, in concert with the Tindals, procures men in any way he the easiest can. To some, who agree to go the voyage, he advances a few rupees, and takes bail for their appearance at a certain time, if at that time they are not forthcoming the *bondsmen are taken*. I verily believe that in some cases the Serangs are in league with those they appear to engage, and give them notice to be out of the way, in order that those bound for them may be taken, and that they may pocket the sums that would otherwise be payable by them: others they deceive by engaging them for a *short* voyage; the remainder, and those are not few where many are wanted, are kidnapped. The Serangs and their myrmidons make no distinction in the persons they lay



hold of, whether weaver, or washerman, mechanic, or husbandman. What I here state, I firmly believe to be correct; since, exclusively of what I had repeatedly heard during my residence in Calcutta, I had an opportunity upon my passage home to particularly inform myself on the subject. Our ship's company consisted of about forty; excepting the captain, two mates, and a boy, all were persons of colour; Malays, Manillese, Ceylonese, Portuguese, and Bengalese, the greater number of the latter description: several of these (the latter) assured me they were taken by force and sent on board ship; that their families were ignorant of their fate, and that they had not received a pice. Some, in addition to all this, declared that, so far from being qualified for the situation they were brought into, they had never served even as Dandeers, nor had they ever before *seen a ship*. Their awkwardness, timidity, and ignorance of the ropes of a ship, sufficiently evinced the truth of their assertions. Some of these men averred, they had been taken from the neighbourhood of Moorshedabad; some were young, some very old and useless. Necessity superseding law, is the only excuse, in my mind, for bringing Lascars into this latitude. I think it very probable, that little more than half the number taken on board ships in India return to their homes; and that their families never receive a sixpence for their services.

“From the observations made in this letter, my sentiments regarding the condition of the natives of India *generally*, is manifest; and I believe all who have been resident there as long as you and I were, cannot but acknowledge, that very illegal and oppressive measures are practised by the powerful over the weak; and, in very many cases, by servants acting under residents and agents of the Company. So long, therefore, as ‘might continues to overcome right,’ the happiness of the subject cannot be secured.

“I am, dear Sir,

“Yours, &c.”



APPENDIX VIII.

PAPERS on the Subject of the Indigo Trade, Bengal.

LETTER. No. 1.

43, Wimpole Street, 4th March, 1811.

R. C. PLOWDEN. Esq.

"MY DEAR SIR,

"THE arguments contained in the accompanying letter to Mr. now Sir George Barlow, written so long since as the year 1801, against the Company making advances for indigo, obtain equally against the purchase of indigo by the Company, each tending in an equal degree to promote ruinous extension of the manufacture.

"But the Company, by the act of purchase, argue, as I know individual directors also do, that the trade in indigo will be beneficial to the Company, and that it is unreasonable in the planter to expect the Company should not participate in the profits of a trade, as they assume, which, they also assume, has been established by their fostering hand.

"Whether the present condition of this valuable branch of commerce be owing to such protection, it is not necessary now to examine. *As a commercial body*, the Company have an unquestionable right to trade in whatever they please. It is sufficient for our present purpose, to consider merely the prospect of advantage to the Company by a trade in indigo, without reference either to the view their political character, as connected with the general interests of the empire, would take of the subject, or to the more minute but fundamental interests of the trade, the interest of the planter, if it were possible to separate these interests.

"The reflections naturally arising from the perusal of my letter to Sir George Barlow, must, I humbly conceive, convince every one that indigo, as an article of trade, must, by the Company becoming traders in it, be rendered extremely precarious. Uncommon extension of the manufacture must inevitably be promoted by it, consequently, great glut and certain depreciation in the English



market; by which, independent of loss as merchants, the Company and Government will suffer heavily in their duties, numbers of industrious planters be ruined, and the trade reduced to a wreck; when, after a languor, which will afford opportunity for the revival of competition in the manufacture by other countries, the Company will be under the necessity, at least will think themselves so, of supporting the trade by advances at considerable risk, perhaps, in many instances, probably, to new adventurers, ignorant of the manufacture, in which at present we excel every other country. Thus, by the extensive speculations of the Company, or even if not at once so extensive, the expectation of great speculation when the Company embark, the trade will become, in an unnatural degree, fluctuating—declining from the brightest prospects to poverty—and again, by unnatural expedients, emerging from poverty to a prospect of better fortunes, and instead of obtaining, by the observance of a true commercial principle, a regular, staple, and indeed exclusive situation, it will be rendered irregular and precarious, in an unnatural degree, liable to competition, unprofitable to the Company, far less productive to the country at large, and ruinous to the industrious planter.

“Pray excuse this long letter, in addition to the accompanying one, and believe me to remain,

“My dear Sir,

“Yours, very sincerely,

(Signed)

“ALEX. NOWELL.”

“DEAR SIR,

“I TAKE the liberty, under your permission, when I had the pleasure of seeing you at Vander Heyden's, to trouble you with the arguments which I ventured to term “conclusive,” on the subject of the Company purchasing indigo.

“From conversations I have had with individuals of your body, although they appear to be convinced, by my arguments, of the injury that will be sustained by the planters, they are not so of the loss, which, I maintain, the Company will suffer in the long-run; and, although they regret the ruin of individuals, they contend, the Company cannot forego the only lucrative trade that remains to them.

“Permit me to refer you to the Company's indigo account for the last three years, that is, since they commenced the importation



of indigo on their own account, for the result. But you will not, I dare say, be satisfied, as some have been, with average prices of purchases, and average prices of sales, as the out-turn of a consignment. You will ask for totals. What the consignment of indigo of the year cost in Calcutta? To which you will require to be added freight and king's duties, and indeed the Company's duties too, for had the indigo been the property of individuals, the Company would have received their duties upon it; the actual net proceeds of a consignment; the sum actually realized, and not the sum for which some was sold, and some bought in, at the sale; for that which was bought in may afterwards have been sold at a loss, or lower rate, than taxed or bought in at; of perhaps, three shillings a pound. The cash account only can be satisfactory. To which you may, I think, anticipate the loss of from 80 to £.100,000 on the indigo, belonging to the Company, to be sold in the next sale.

"I am, dear Sir,

"Your most obedient,

"and very humble Servant,

"ALEX. NOWELL."

43, Wimpole Street,
4th January, 1812.

The late Sir John Anstruther being informed of my letter to Sir George Barlow, in question, expressed a wish to see it. The following is a copy of a note from him upon it to me.

"DEAR SIR,

"I RETURN the letter, which is, I think, unanswerable, and applies equally to the Company engaging in any trade but what they call their investment; and even that, I think, they had better let alone. I should like, if it were not disagreeable to you, to examine you, as to the possibility of introducing the manufactures of England into the upper provinces.

"Yours truly,

(Signed)

"J. ANSTRUTHER."



LETTER. No. 2.

G. H. BARLOW, Esq.

*Calcutta.**Turhoot, Nov. 1811.*

" MY DEAR SIR,

" WHEN last in Calcutta, I observed with pleasure the sense in which you received my opinions on the public loan to Indigo planters, and I feel persuaded you will excuse me, when I again introduce a subject which so intimately regards a principal branch of the commerce of the British possessions in India.

" With all due deference to, perhaps, the ablest and most energetic government the British empire in India ever experienced, the loan in question, in my humble opinion, is a violence done to the constitution of commerce; and so far from adding permanent strength, must inevitably induce debility, if not ruin, on this branch of it.

" Indigo is now as much established in these provinces, and is become as much a staple commodity, as cloths, or any other of the manufactures. And it is a maxim, founded on experience, that commerce, which delights in independence, should neither be clogged with burdensome taxes, nor forced by unnatural expedients. It is equally vain to expect indigo, or any other natural product, to flourish in any climate without interruption, as it is to hope for the success of every adventurer in any line of life. But we ought not to lay to the charge of climate an evil, in this instance, entirely our own; nor to conclude, because indigo, from a combination of circumstances in Europe and this country, is at this time in demand, that this demand cannot be satisfied in the regular and natural course of commerce. I will not affirm that the encouragement, given by the present state of the markets, will ensure immediate abundance to any demand; for, like commerce in general, its fluctuations, to be natural, must be progressive. But this I will affirm, that the sudden and uncommon extension promoted by the loan in question, will be the means of overstocking the market, and of involving the speculation in difficulties, greater even than it before experienced, from a similar cause. Many will be ruined, beyond the redemption of government even; for their ruin being caused by superabundance, to extend further support to the planter would only be to continue, or rather to increase,



the evil, by a certain and increasing loss, both to the Company and the individual. The consequences are evident. Stagnation, attended with effects so serious, that a revival of this very valuable commerce cannot soon be expected. And when it shall convalesce, its re-establishment, from apprehension of similar fate, will be more progressive than ever. As extension, since our late difficulties, has been found to be slower even than infantine progression, so will it be found henceforward, that every subsequent relapse will be attended with still more fatal effects than the preceding one.

“I admit our poverty, that indeed I might say, we are not only totally destitute of capital of our own, but perhaps not less than a million sterling below par. Nay, I will admit further, that the capital offered to us by means of the loan in question, is far more advantageous to us, I mean the terms of it, than any funds we can otherwise obtain. But it is this very circumstance, this apparent solecism, the facility of this loan, causing sudden and uncommon extension of the manufacture, beyond all possible demand, that will ultimately prove far more injurious to us, than the loans supplied by houses of agency even. For, although the houses of agency participate largely in the profits of the planter, the capital employed is, comparatively, small; consequently, the scale of manufacture, although hitherto invariably sufficient for the demand, confined within reasonable bounds; which circumstance promises more to ensure a certain and independent capital, and to place this branch of commerce upon a better footing ultimately, than a measure so extensive in its operation, as the loan in question, were the terms of it even more liberal than they are.

“If indeed it be the wish of the Company, to promote the permanent success of this very valuable branch of commerce, and they will consent to forego a temporary for a permanent advantage, there is, in my humble opinion, a mode as obvious as it is consistent with true principles of commerce—I mean a reduction of the heavy duties it at present labours under; and, admitting our poverty, that in fact our credit is so low, as in the opinion of Government to require public support, where is the policy of loading us with burdensome taxes? It is, in truth, neither more nor less, than relieving distress with one hand, and robbing it with the other.

“To consider, then, the true interests of this valuable commerce, which interests are inseparable from those of the Company and the



empire at large, would it not be wise, in the first instance, to relieve it from oppressive taxes? Proceeding thus on just commercial principles, we should ascertain whether, to promote adequate supply, extraordinary support be really necessary; or whether, gradually and naturally improving in strength, formed upon the firm basis of our own capital, extension, almost beyond present calculation, and certainly beyond the power of competition, will not be the consequence.

“ With you, Sir, so conversant with the unparalleled capability of these provinces, as well from uncommon fertility of soil as comparatively low price of labour, to afford any of their natural or manufactured products, there cannot exist a doubt that we must undersell the whole world: that by nature this country is entitled to the exclusive supply of all Europe with this valuable article of commerce; and if we have not already attained this desirable situation, that it is to be ascribed to circumstances of embarrassment, which the measure in question cannot remove, but on the contrary, as we know from experience, must increase. It is to be hoped, however, that government will proceed with a degree of caution in the measure under consideration, commensurate with its importance; that they will, in the first instance, ascertain whether the supply of indigo for many years past, indeed almost from its first establishment in these provinces, have not been equal to the demand in Europe? Whether planters have not, for a series of years, laboured under great difficulties, from the circumstance of the markets in Europe being over stocked? What the quantity of indigo exported last year was, when Government made no loan to planters? and whether that quantity is supposed to be a sufficient supply for the market in England? The result of such inquiries would determine, whether extension be necessary, and if it be, whether the degree of extension requisite is not likely to be effected, without public assistance.

“ As an individual, whose interest it is, to be particularly well acquainted with the system of finance, under present circumstances, best calculated to ensure success to this, at some future period, great source of wealth to the British empire, I have endeavoured to explain, on a general principle of commerce, in what manner it is likely to be affected by the measure under consideration; for it is not to be expected, that in the various and constant occupations of your situation, you can have leisure to reflect much on a

branch of commerce, the real value of which is yet unknown even to those most interested in its welfare.

"From the arguments I have made use of, it may possibly be concluded, that my own funds are independent, and therefore, from sordid motives, I wish to exclude others from that aid I do not myself require. On the contrary, I assure you, I regularly receive advances from an house of agency, and hesitate not to assert that I pay higher terms of agency, than any other planter in these provinces either now does, or ever did. I speak, from the sincerity of my heart and the best of my judgment, the true interests of this important branch of commerce, and of every planter, are affected by a loan so unlimited in its operation.

"I have the pleasure to remain,

"My dear Sir,

"Yours, very sincerely,

"ALEX. NOWELL.

"G. H. BARLOW, Esq.

"Calcutta."

The PETITION of ALEXANDER NOWELL, Indigo Planter, to the Honourable the Court of Directors, of the United Company of England trading to the East Indies, humbly sheweth,

THAT whereas your petitioner did, in the year 1792, obtain leave from the late Marquis Cornwallis to resign the military service on your establishment at Bengal, in which he had served many years, and further, did obtain his Lordship's permission to remain in India;

That your Petitioner did, in the same year, 1792, settle in the district of Tirhoot, and province of Bahar, as an indigo planter. That by the great encouragement given by your Honourable Court and your Government abroad, to indigo planters, by granting licences, enabling them to purchase lands of the natives, for the purpose, exclusively, of erecting factories for the manufacture of indigo, as well as by paragraphs of general letters of your Honourable Court, at different periods, to your Government abroad, for the purpose of promoting the extension of this valuable commerce, which paragraphs were published by your said Government; your Petitioner was induced, in common with many other industrious



men, to erect and establish indigo factories, on a scale which had no equal in any other part of the world! For your Petitioner, depending on his own industry, and relying implicitly on that protection, which had so encouraged and promoted his speculations, was convinced, that under such auspices, East India indigo must soon completely put down the competition of every other country; and although perfectly aware, that the uncommon capability of your provinces to produce the article he had so extensively embarked in, would in all probability create excess, to an exclusive situation even, your Petitioner was not afraid to take his chance with his brother planters, in the natural fluctuations inseparable from all mercantile pursuits. But your Petitioner, as your Honourable Court must be aware, could not, from a conduct in your Honourable Court, and your Government abroad so encouraging, possibly expect that your Honourable Court would at any time lose sight of that interest you had so warmly espoused, much less that your Honourable Court would at any time embark in, or undertake to do, any thing in or concerning this valuable branch of commerce fatal to its best interests, and inevitably ruinous to a body of men, who had, with infinite labour, and adventure unprecedented, brought it to an unrivalled state of perfection.

Your Petitioner, therefore, humbly solicits the attention of your Honourable Court to the condition of himself and others, indigo planters in general, as affected by the purchase of Indigo on the spot by the Company, or advancing for the same, as causing most ruinous extension of the manufacture; as your petitioner begs leave more particularly to state, by the accompanying letters, numbered 1 and 2*, to which your Petitioner craves the most serious attention of your Honourable Court.

And your Petitioner, relying on the justice and consideration of your Honourable Court, most humbly hopes that your Honourable Court will, by the present opportunity, signify to your Government at Bengal, your intention neither to advance for the manufacture of, nor to purchase, indigo in future. Your Petitioner is the more sanguine (if he could for a moment suppose your Honourable Court could consider any thing in competition with the general and more enlarged interests of this valuable commerce) that his prayer will be attended to, when it must be obvious to your Honourable Court, he humbly presumes, as well from the arguments contained in his letters above alluded to, as

* The letters here alluded to are those which precede this petition.



perhaps from the experience of your Honourable Court, that a trade in this article cannot be advantageous to the Honourable Company, but, on the contrary, must ultimately be greatly prejudicial to their interest, and to the interests of the empire at large.

(Signed)

ALEX. NOWELL.

15th April, 1811,
43, Wimpole Street.

Reply of the COURT OF DIRECTORS to the foregoing Petition.

“ SIR,

“ THE Court of Directors of the East India Company have considered your letter, reciting several circumstances, which have attended the manufacture of indigo within the provinces of Bengal and Bahar, during the last twenty years, and calling the attention of the Court to the condition of yourself and others, indigo planters in general, as affected by the purchase of indigo on the spot by the Company, or advancing for the same, and requesting the Court will signify to the Governor-General in Council their intention, neither to advance for the manufacture of, nor to purchase indigo in future; and I am directed to acquaint you, that the Court have paid due attention to the subject, and are of opinion, that it is incumbent on them, to continue the commerce of Indigo to such extent as may suit the Company's general views of trade; and that in so doing they are fully satisfied, they do not in any manner contravene the liberal policy, which has ever governed them in respect to indigo planters.

“ I am, Sir,

“ Your most obedient humble Servant,

(Signed)

“ J. RAMSAY, Sec.”

East India House,
12th June, 1811.

“ In addition to the arguments contained in the foregoing petition and letters, on the subject of the Company interfering in the commerce of indigo, Mr. Nowell might (indeed he deems it an omission that he has not) have noticed more particularly the unfortunate and peculiar condition of the planter, who, in all cases, and in all events, is bound to his speculation, by the large capital invested in dead stock and out-standing balances; the only chance of redeeming which is the continuance in his undertaking. He cannot, like the general merchant, whose warehouses can equally



well receive any article of commerce, and whose capital is equally applicable to all, range at large in a general commerce. The peculiarity of this condition, Mr. Nowell humbly hopes, would, if submitted to a superior and protecting power, be deemed worthy of the most serious consideration. As would, Mr. N. humbly hopes, the circumstance of the Company's servants, armed as they necessarily are with imperial power, manufacturing indigo, on their own private account, on terms, of course, far more advantageous than the indigo planter, who possesses no such uncommonly advantageous, adventitious, situation, greatly, no doubt, to the prejudice of the industrious planter.

“Mr. Nowell further begs leave to refer the reader to an article, page 74 of the “Remarks on the Observations of the Chairman and Deputy Chairman of the East India Company, on the Evidence respecting the Private Trade.” In this reference, however, Mr. Nowell does not conceive, that the interests of this commerce are so well understood as they are by himself: but there will be found in it somewhat more of the history of this devoted article, as well as of the policy which has invariably influenced the East India Company in every act of their interference, which Mr. Nowell, of necessity, abstained from. Mr. Nowell, on the contrary, differs entirely from the observations and conclusions contained in the article referred to, tending to allow to the Company the merit of benefitting this commerce, by the means they, at any time, afforded of extending the speculations in it: Mr. Nowell means all manner of assistance or interference beyond the licences to erect manufactories.”

The article on indigo in the work above referred to, is as follows.

“INDIGO.

“Upon this subject the Chairman and Deputy state, that ‘the merchants and their advocates have not been backward in claiming a large proportion of credit, for having originally introduced, and brought to perfection, an article which now bears so distinguished a feature in the list of Asiatic imports;’ and a quotation is made from some authority not cited in confirmation of this claim. The passage, thus digressively quoted, may not be critically accurate in respect to the recency of cultivation; but it is obvious that *general* cultivation was intended by the author, in which sense the assertion is maintainable.



"In refutation of this quoted passage, the Directors have gone into a long historical dissertation, to satisfy the Honourable Committee, that 'India produced indigo from time immemorial,' and that it owes its present extension and success, to the fostering hand of the Company. As the introduction of this dissertation upon indigo was not called for by any part of the evidence, upon which 'the Observations' are professedly made, it can only be ascribed to the desire of monopolizing the merit of bringing this drug to perfection, from which the revenue now reaps a large benefit; but the merchants, on behalf of their absent constituents, beg leave to insist, that the merit may be justly shared between the Company and the private cultivators, though they and the merchants think in no equal degree, as they hope to be able to show.

"After the Company had entered into a contract with an individual in 1779, and purchased indigo of other cultivators, by which essay they acknowledge to have incurred 'a loss of upwards of £80,000,' they agreed to leave it to 'their servants, and those who lived under their protection, to serve as a safe and legal channel for remitting their fortunes to this country.'

"The Honourable Committee will estimate, as they see cause, the extraordinary liberality in this relinquishment and concession; but without pretending to the least merit, the merchants conceive, that had any speculation of theirs been attended by the like disadvantage, they must, in common discretion, have adopted precisely the same line of conduct.

"It is added, however, that the Company did not cease to stand forward, and afford their assistance, in the way of loan, to the cultivators, 'which enabled them to persevere in their exertions.'

"It is acknowledged, that the Company have the merit of having made advances of money to the manufacturers of this article, repayable from the sales in Europe; nor is it disputed, that these advances occasioned an extension of the cultivation of indigo. The merchants are as willing to allow the Company 'every degree of merit, to which they have well founded pretensions, as the Chairman and Deputy Chairman profess themselves willing to concede to the merchants; but they deem it necessary to the information of the Honourable Committee, to state, that the rate of exchange at which these advances were repayable to the Company in London, was an advantageous rate, and that they believe they do not greatly err in asserting, that few other channels of re-



mittance from Bengal, if any, resorted to by the Company, yielded so good a profit as these loans on indigo, while the cultivators were by no means exempt from inconveniences, arising from the terms to which they were held, in the execution of their contracts.

"The encouragement is nevertheless admitted, as tending to promote the extension of the cultivation of this article, and that very expensive factories were consequently constructed, which, being once built, required to be worked annually, to prevent their falling to decay, even when the produce of these exertions was not saleable at a profit.

"At one period, indigo became greatly depreciated in the European markets, and extremely heavy were the losses sustained by all parties concerned, excepting the Honourable Company, whose reimbursement was fixed at a favourable exchange.

"If ever encouragement was most essentially desirable, it was surely then, when, by the aid of the Company's loans to the cultivators, large sums had been sunk in erecting works, to such an extent indeed, that the majority, if not all, had involved so much of their capitals, as to be driven to very ruinous expedients, for the purpose of raising the necessary funds for persisting in their operations, to which they foresaw a profitable termination.

"At this critical juncture, the fostering purse of the Company was closed. After struggling with difficulty, and surmounting every discouragement for many years, the indigo cultivators once more began to reap the advantages of their activity and perseverance, when it was deemed expedient, that the Company should become importers on their own account, which they still continue to be.

"The merchants do not mean to argue that there was any injustice in this determination, of endeavouring to benefit the Company by the favourable change which had taken place in this branch of Asiatic commerce, though they might, in their turn, complain of 'interference.' They should be deserting the grounds they hold on this subject in general, were they to complain of a fair competition on mercantile principles; but of such competition they are not afraid. Yet they must contend, that the merit of having extended their support to the indigo planters, on such very disinterested principles as 'their Observations,' insinuate, is considerably diminished by the circumstances here stated."



APPENDIX IX.

EXTRACTS relating to the Pepper Trade in Malabar, with a concise Abstract of certain Proceedings in Travancore.

THE following extracts from the Report of the Joint Commissioners from Bengal and Bombay, in the years 1792 and 1793, will suffice to show the spirit in which the Company's Pepper Trade in Malabar has been carried on.

Para. "CXXXIX. In the extracts that have been inserted in the eighty-first paragraph, from the Governor of Bombay's instructions to the Commissioners, General Abercromby refers to the Raja's breach of 'the most essential article of their engagements, in relation to the exclusive trade of the country, as most of the pepper this season' that is for the Malabar year 967, 'was clandestinely sold,' and that some compact of this nature must have been understood on both sides (though no where, as far as we have seen directly or formally stipulated) is plainly inferrible, not only from the preceding quotation, but from Sir Robert Abercromby's previous communication to the same Rajas, recorded in the book of Persian correspondence; whence it appears that, as early as in the month of December, 1791, he addressed a circular letter to the Rajas of Calicut, Cartinaad, Cottiate, and Chericut, calling upon them, 'in compliance with the express engagements they had entered into with Government, that the Company shall have the exclusive right to the whole of the trade of their countries, whether of pepper, or of any other article of commerce,' to issue immediate orders to their subjects, not otherwise to dispose of the former; and even before the receipt of this requisition, the Calicut Raja appears to have advised the Governor, in November of that year, of his having issued orders to prevent his merchants from selling their pepper to others than the Company, on no less a penalty, as he ostentatiously and insincerely writes, than death; notwithstanding which, the greater part of this precious commodity, termed Malabar money, was during the same season sold in a manner deemed, by the Honourable Company's representatives, clandestine; which was, however, but very little more than was to



be expected, whilst its owners were tempted at all hazards to smuggle it into the French colony of Mahé, where they were paid for it at the rate of 175 rupees per candy, whilst the Company had limited to 130, the price they would allow to be given for it on their own account."

"CXLV. The commission next determined to fix on a mode with the Northern Rajas, for the provision of this article, concerning which, they were informed by Mr. Taylor, the chief of Telli-cherry, and Collector General of that division of the country, that in Hyder and Tippoo's time, when the Circar took their proportion of pepper (being one half of the produce) the Rajas themselves exacted the other moiety, promising to be accountable for its price to the proprietors: this they however so very ill performed, as to occasion much public oppression, in the constant struggle which thus appears to have been kept up, relative to this precious commodity; which was likely to become still greater, by the increasing demand for it in the Europe market, insomuch, that it was then (*i. e.* in Sept. 1792) purchasing at Mahé, at 175 rupees per candy, whilst the Company's limited price was (as already observed) only 135 rupees; but Mr. Taylor gave it as his opinion, that by giving within ten rupees of the French purchasing prices, or 165 rupees per candy, the owners would rather sell it at that small disadvantage to the Company, than run the risk of smuggling. And to show that the Honourable Company would still be gainers at this rate by the sales in England, he adverted to the high price it bore there, of 2s. per lb. submitting thereon a calculation to the Commissioners, whereby, supposing it to yield only 1s. 8d. and that a ship carried 2000 candies, this would produce £1,00,000, and if valued at 2s. 1,20,000, or at a medium of the two prices 1,10,000, from which deducting the purchase in India at 165 rupees, making on 2000 candies 3,30,000 rupees, or in pounds sterling (at 2s. 3d. per rupee) £37,125, and estimating the tonnage to amount, on 670 tons, at £26 10s. each, to £17,755, there would only remain to be deducted out of the large mercantile profit, that would hence result, the charges of merchandize in India and Europe, and the Government duty in England; on which view of the case the Commissioners authorized Mr. Taylor to buy, at 160 rupees the candy, 200 candies of the preceding year's crop, which would otherwise have found its way into Mahé; and they issued circular injunctions to all the northern Rajas, to secure the pepper for the Company, and not to let the French have any."



“CXLVII. From the reflections, therefore, that appear to have arisen on the above occasion, and finding that if merchants were employed to collect the pepper, they must be indulged in the exercise of a greater authority than it might be safe to entrust to them, the Commissioners determined, in October 1792, to employ and trust to the Rajas, for that purchase, in the northern countries, in like manner as they had done to the Zamorin's minister in the southern; and in the view of holding out the greater encouragement to the future culture of the vines as well as to the present pepper owners, to deal honestly with the Company, and not otherwise to dispose of any part of their produce, it was determined to relinquish and abolish in favour of the cultivator, throughout all the ceded countries, the Company's or Government's right to the tax on pepper, *i. e.* to a consideration either in kind or in money equal to one half of the crop; and that through the agency of the Rajas aforesaid, the whole or both shares of this pepper should be secured for the Company, at the price, which was now settled to be paid for it, of five rupees per maund, or 100 rupees per Telli-cherry candy of 640 pounds: whereby the Commissioners estimated that the pepper growers would be materially benefited according to a calculate which they made, on the footing of a maund, or the 20th part of a candy, of pepper being according to the inland prime cost, or the market price, worth six rupees to the Proprietor, for which, on the whole of his crop, he did only however realize three rupees, since the other moiety was taken for its tax by Government; whereas having now no such tax to pay, and receiving five rupees a maund for his entire produce, he would prove thereby a gainer of two rupees per maund; but however speciously fair and alluring this theory might appear upon paper, it very materially miscarried in the execution, as will be noticed in its proper place.”

“CXLVIII. Meanwhile Major Dow had concluded with the Raja of Travencore, (whose country is supposed to yield *communibus annis* 8000) a pepper contract for 5398 candies, including the arrears of former years, as per the undermentioned particulars extracted from the contract:



700 Candies at 82 rupees (customs included as per ancient agreements).....	57,400
1300 Ditto at 100 rupees each.....	1,30,000
Customs on ditto at two rupees per candy.....	2,600
	1,32,600
2000 Ditto at 140 rupees each.....	2,80,000
Customs at two ditto per candy.....	4,000
	2,84,000
Total 4,000 Candies of the present contract for rupees.....	4,74,000
Add 1,398 Ditto for the estimated amount of former unfulfilled contracts, at 100 rupees per candy.....	1,39,800
Customs on ditto at two rupees per candy.....	2,796
	1,42,596
Total 5,398 Candies to be delivered in 1793 for rupees.....	6,16,596

Making the average price for the 4,000 candies of the new contract turn out 118 rupees per candy."

"CLXXXII. Of the pepper contract above noticed to have at this period taken place between General Abercromby the Governor of Bombay, and the Raja of Travencore, your Lordship is no doubt already fully advised; and therefore we shall only briefly notice, in addition to the former intimation concerning it in the Bengal Commissioners' already quoted address of the 5th of January, that it is for 3000 candies annually for a period of ten years certain, and at the price of 117 Bombay rupees per candy, inclusive of two rupees per candy for the customs."

"CCX. Having from the 145th to the 147th paragraph, pointed out the means adopted by the Commissioners from Bombay for securing the pepper of the year 961, or 1792-3, we have to observe, that however promising that plan may have theoretically appeared, and however the execution of it was afterwards attempted to be ensured, by guards of sepoy and by armed boats and denunciation of the severest punishment against all private dealers; still it was soon perceived, when the season arrived for the reaping this article, (that is, as early as towards the latter end of January, 1793) that the pepper was on all sides, and especially in the Northern



Districts, taking its natural course to the best markets, without the owners at all considering, that the inland market price, which the Rajas were to purchase it at for the Company, viz. 100 rupees per candy, proved in fact to them as well as to the Company equal to rupees 200 (which is as high as private purchasers would give for it) since the said pepper growers were to be paid, or at least it was the object of the plan to pay them, for the whole of their produce at that rate, instead of only for the one half, and of Government's, or their Rajas, taking (as had been usual) the other half for their revenue: but whether immediate appetite for gain blinded these landholders, and prevented their equitably referring in their own minds to this calculation, or whether (as seems more probable) they could place little or no confidence, either on receiving from the Rajas the payment intended by Government, or that these latter would (whatever the Company's servants might intend) at all excuse the revenue usually payable on their vines; certain it is, that we soon perceived, unless more effectual measures were resorted to, than trusting to the fidelity of these Rajas' agency in behalf of Government, the Company would have got little or no pepper, had we not, in the month of February, employed well-informed native merchants, supported by Company's civil servants, to proceed into the several districts of Chericul and Cottiate, &c. and to secure and pay for what still remained in them; and after all only about 1,330 candies were procured from all the Northern Districts, which is less by nearly 200 than Mr. Taylor, the Chief of Tellicherry, had been usually able to purchase in former years, by giving the fair market price; and in the Southern Districts, which are known to yield at least 1,500 candies, only 423½ candies were received; so that reckoning, at a moderate valuation, the product of this year's crop to have been in both divisions equal to 4,500 candies, not nearly one half was procured for Government; in view to all which, and upon consideration of the opinion of your Lordship in Council, under date the 14th of February, that 'you will be happy, if it shall hereafter appear that the restraints against a free trade in pepper may be removed, without incurring too great a risk of disappointment to the Company's investment,' we determined, since it had thus evidently appeared, how very ineffectual and even detrimental to the furtherance of our Honourable employers' interests the attempting to force this trade had proved, to relinquish all idea of maintaining this monopoly in time to come, of which we issued public notice on

the 13th of April 1793, announcing that the Company would limit its future claims in this article to the moiety in kind, which they are entitled to as the Sovereign; leaving to the owners freely to dispose of the other moiety at their own option; and it afforded us much satisfaction to find by your Lordship's letter to the Governor of Bombay, under date the 17th of March, that in having adopted this measure, we had acted conformably to the sentiments entertained on the subject by your Lordship, as well as to those of General Abercromby, as expressed to us during his stay on this coast."

The Commissioners having entered into an agreement with the Raja of Cherichal for the revenue of his district for the year 1793-4, by which he was to pay to the Company, on this account, the sum of 1,25,300 rupees, the following arrangement is reported to have taken place, in respect to the pepper of this district.

"CCLVI. But in the meanwhile we sought to make the most of the terms to which the Raja had agreed, by causing him to understand, and consent, that the Honourable Company should receive half of the pepper annually produced from the vines, for which he was to obtain a deduction in the amount of his payable Jumma at the rate of 100 rupees a candy; which being less, by at least $\frac{1}{3}$ d, than the most ordinary average rate of the market price at the sea ports, would therefore, on the 200 candies, which their moiety may for the ensuing year be reasonably expected to amount to, operate as a real and effective increase of ten thousand rupees to the Jumma, so as to render it fairly estimable at 1,35,000 rupees, which would be annually augmenting, in proportion as the expected re-establishment of the full growth and former extension of the cultivation of pepper should be promoted."

"CCLVII. And we considered, as a further advantage acquired on this occasion to the country, the Raja's stipulating in writing, to allow the cultivators of the pepper to dispose of the remaining moiety thereof at their own free option to the highest bidders, instead of obliging them (as had hitherto been for the most part the established practice with the Malabar Rajas) to dispose of it to himself, at a base or perhaps no price; so that, by the sale of this valuable commodity, these MERCANTILE and MONO-

MONOPOLIZING SOVEREIGNS used to derive to themselves large advantages, to the general impoverishment of their districts."*

"CCLVIII. But the present Raja now also agreed to renounce, in future, all dealings as a merchant," &c. &c.

"CCCCVIII. In the 155th paragraph we have already stated that, with a view to this desirable object, we had, soon after the junction of the Commissioners from Bengal with those of Bombay, declared the trade in all articles but pepper to be free; and in the 210th paragraph we have mentioned the publication which we issued on the 15th of April 1793, announcing that the Company would in future limit its claims on this article to the moiety in kind, which as sovereign they are entitled to: in the tenor of which publication, we have also since been induced, on the opinion and report of the Supravisor, to admit for the present, and by way of experiment, of a degree of alteration, so far as to agree to his proposal that the Company's revenue on this article, consisting of half of the pepper produced, shall for the year 969, or 1793-4, be (according to the most usual practice of that division) taken in kind (under the precautions as to its estimate that are pointed out in the voucher, No. 103) only in the Northern Districts, which are estimated to yield about two-thirds of the entire annual crop of the province; and that for the residue, consisting of the quantity grown in the Southern Districts, the fixed nugdee, or money rent of three gold fanams per vine, shall be collected, and the parties thereon left free to sell their produce either to the Company or to any others who may bid the highest for it; in agreeing to which deviation from our original plan, we have been principally swayed by the belief, not so much that

* It is curious here to observe, how fluently the Company's servants can vilify "MERCANTILE and MONOPOLIZING SOVEREIGNS" when not speaking of their own masters, the East India Company. The author of these paragraphs, once in his life, wrote to the Commercial Board at Surat, that "on general principles the Honourable the Governor in Council was averse to interpose any rules for controlling the trade, or the prices of the raw material, being of opinion, with all the best authorities on civil polity, that the more commerce is, in every branch of it, left to find its own level, the more will it prosper to the general advantage of all those interested in it." Notwithstanding the conviction here expressed in general principles, this person was throughout the whole of his long administration, in practice, the most decided and zealous supporter of the Company's monopolizing sovereign trade in all its branches, both internal and external.—Such is the inevitable effect of the system here treated of.



the natives to the southward would (as Mr. Farmer apprehends) dislike as an innovation, the delivery of the moiety of their pepper to Government in kind; as from a view to the advantage derivable for making, for one year, an experiment of the two modes in the different parts of the country; from the result of which, a conclusion may be drawn, as to which will in future be the best permanent mode of management for this important, and primary article, among those with which Malabar is almost exclusively blessed."

"CCCCIX. As connected with the subject of the preceding paragraph we have next to observe, in continuation of that of Mr. Page and Mr. Boddam's attempted negotiation with the Raja of Cochin (noticed in the 181st paragraph) for the pepper of his country, that after a long correspondence between us and Mr. Powney (the principal parts of which stand recorded in the voucher, No. 22, already referred to) the Raja has agreed to deliver as much pepper annually to the Company, from that part of his country lying to the northward of the Travancore lines, as the researches and local examination to be this ensuing year made by the agents of our Government, shall ascertain to be the produce, for which he is to be paid at the rate of 115 rupees per candy."

"CCCCX. As to its present enhanced value in the market, and the great competition that continues for it, the preceding notices in the 145th and 210th paragraphs need not be repeated; but there is no doubt that it last year sold at Mahé at about 200 rupees per candy."

Of the two different modes of taxation above mentioned in the 408th paragraph, it may be briefly noticed, that the latter, or three gold fanams per pepper vine, at length prevailed generally; whilst of this rate, and of its relative proportion to the ascertained average produce of an extensive vineyard, we have the following authentic information in the public records.

Extracts from a Letter from the principal Collector in Malabar to his Assistant employed on a revenue Survey of the Rhandaterra District, dated 16th April, 1803.

"The average of pepper calculated on the produce of from 6000 to 23,000 vines, during a period of six years per vine, is $\frac{6}{15}$ of a pound avoirdupoise weight."

"It is well known, and clearly ascertained, that the quantity of pepper produced in Malabar has decreased beyond all calcu-

lation and belief since the period of Hyder's conquest. This gradual decrease seems to have continued uninterrupted, throughout the whole period of our own administration; and I can have no hesitation in saying, that the exorbitantly high rates of taxation are a chief cause. Vines require annual care, or they go to ruin; and all former modes have operated to discourage the necessary care: the consequences are now felt and obvious. The present or former assessment of three gold fanams, or 342 reas *, indiscriminately, on a vine whose average gross produce is only worth 42 reas †, is too monstrous to require a comment."

In consequence of this vast disproportion between the tax and actual produce of vines, it became necessary in the assessment accounts to class, under the head of one vine, a certain number, according to their supposed or estimated produce; that is, where ever the vines were actually counted; but in most cases a certain number of vines were arbitrarily entered in the accounts at the discretion of a corrupt or ignorant Native assessor. It is needless here to point out the liability of such a tax as this to oppression on the one hand, and to fraud and error on the other; for these consequences are quite obvious. Notwithstanding this enormous tax, however, on pepper, as long as the Company continued to trade in this article, their purchases of it, even from the inhabitants so taxed, continued to be influenced by the same spirit as to price, as evinced in the preceding extracts, viz. the most persevering efforts, aided, and even enjoined, by the ruling branch of their power, to procure the commodity at rates considerably below those of the free and open market.

* Three gold fanams and a half, or 400 reas, go to a Bombay rupee, commonly valued at 2s. 3d. sterling.

† This is the price of 6-10ths of a pound at the estimated value to the cultivator of pepper, who is also the payer of the tax. At 180 rupees per candy, the average price paid for it at this time by the exporters, the value of 6-10ths of a pound would only be 68 reas. Since this time, the Company having also withdrawn from the trade, the price of pepper has fallen to 56 rupees per candy, at which rate the value of 6-10ths of a pound would be 21 reas. The tax however continues, I believe, to the present hour unaltered, viz. three fanams, or 342 reas per vine.



TRAVANCORE.

In 1795, the Raja executed a treaty to subsidize three battalions of Sepoys, one company of European artillery, and two companies of Lascars, at the annual cost of £.42,914.

From the preceding extracts, it appears that the Raja was at this time bound by another treaty to the Company, by which he agreed to supply the Company annually with 3000 candies of pepper, at the rate of 117 rupees per candy. At the time of executing the subsidiary treaty, some modification, I think, took place of the pepper contract. Not having the record at hand, I can only say, from the impression of my own memory, that the quantity of pepper to be supplied was (I believe) augmented to 4000 candies, and the price to 125 rupees. At this time, Malabar pepper was in so great demand, as to be proverbially termed "Malabar money." Its market price from 175 to 200 and 220 rupees per candy*. In spite of the heavy loss thus occasioned to the Raja, he fulfilled his agreement, or with little deficiency; under all circumstances, a singular proof of merit, and of fidelity to engagements.

When the first of these contracts was executed in 1793, there was no subsidiary treaty; and it was then stipulated, that the Raja should be paid for his pepper chiefly in arms and accoutrements, broad-cloth, &c. from the Company's stores. Though the pepper was rated in the contract at the inadequate price of 117 rupees; yet the goods and stores above mentioned were charged to the Raja at the Company's own price, that is, at the rate, at which the Raja had been for several preceding years charged for these supplies.

After the execution of the subsidiary treaty, it appears, however, that the subsidy was realized in the way of set-off, in the accounts with the Raja for pepper. In fact, it was paid in pepper, and readily received by the Company in this way, as long as the price continued high in Europe, and that of the supply far below the market price in India; but these circumstances changing, pepper becoming a drug in Europe, and its price in Malabar falling below 117 rupees per candy, the Company's servants became averse to take that pepper, through which alone the Raja was enabled to pay his subsidy—yet the subsidy was insisted on.

* This is the Malabar price, where the candy was worth about 15 to 20 rupees more than the Travancore candy.

A series of irritative measures and bickerings ensued, which occasioned the Company's Government to be spoken of in Malabar, as unjust and oppressive towards the Raja. Being in Malabar in 1803, the adjoining province to Travancore, I frequently heard this mentioned in terms of indignation, which surprised me much, as coming from the submissive natives of the East.

Though the Raja was unable to pay the subsidy of 1795 when his pepper was rejected, and that too in breach, if not of the letter, certainly of the understanding, of his contract, yet another treaty was exacted from him in 1805, whereby the subsidy was more than doubled. Still less could this be paid, if the other could not. For two years after the execution of this latter treaty, no payment was made on account of the additional subsidy, although one half of it was remitted. The spirit of irritation and animosity increased. Complaints of the harsh conduct of Government to the Raja and his ministers spread far and wide. An attempt was made on the life of the Resident. Open hostility ensued in 1808, which was terminated by the march of a large British force into Travancore; but the war was prosecuted by the Travancoreans with acts of horrid cruelty and vengeance, which clearly evinced the extreme irritation to which their minds had been roused.

The Raja, however, was obliged to submit to the terms imposed; his Dewan, Vayloo Tombey, put a period to his existence; several of the principal ministers were publicly executed. The Raja's favourite adherents and domestics being removed from his person, and others substituted, that were disagreeable to him, he soon died of grief and vexation. His heir succeeded; but proving not quite so tractable as could be wished, he was deposed, after a reign of six months, and a Rana, a female, placed in nominal charge of the Government. The deposed Raja is banished to Telicherry, where he resides, on a small pension.

The new subsidiary treaty of 1805 had been always represented as the sole cause of this unhappy war. It stipulated for an increase of subsidy in money, which the late Raja and his Dewan invariably declared their inability to pay. It was, moreover, a breach of the old treaty, which was declared (I believe) to be perpetual. It also gave to the British Government the right of interfering, at all times, with its advice in the internal affairs of Travancore; and upon certain emergencies, of which the Governor-General was himself to judge, full power to assume the direct government of the country. The requisition to pay the subsidy in



money fell harder upon the Raja, because the Company, in addition to their own rejection of his pepper, which was his chief means of paying it, had from the year 1800 prohibited all intercourse on his part with foreign Europeans, who were formerly the chief purchasers of this article. For this there were political reasons, in respect at least to our natural enemies; but still it did not mitigate the severity of the arrangement to the Raja in a commercial view.

Considering all these circumstances, it cannot surprise us to be informed, that this treaty was uniformly and steadily resisted by the Raja and his Dewan for four years, previous to its execution; that it was only executed under the dread of a military force, which had been marched towards Travancore, on the avowed plea of quelling internal disturbances; that it was constantly complained of by letter to the Madras Government, from the Raja and his Dewan, both previous and subsequent to its execution, till their letters were at last returned unopened; and that it should have at length excited irritation in a breast so uncivilized as that of the Dewan, as to induce him, in the warfare which ensued, to commit the most unjustifiable and atrocious acts of barbarity, and the more especially, if true, as asserted, that the war was conducted by the British troops, for a time at least, on the principle of giving no quarter to the Travancoreans*. The war,

* Independent of the treacherous attempt made by the Dewan on the life of the Resident, and which of course nothing could justify, it is well known, that on the occasion of Dr. Hume and thirty-three soldiers of his Majesty's 12th regiment, falling by accident into the hands of the Travancoreans, they were cruelly massacred, by order of the Dewan. Upon these Europeans being demanded of him, he is reported to have replied, "When you return me first the women and children that were exterminated by Colonel ——'s battalion, then you shall have the Europeans." This refers to the action fought near Quilon, when many thousands of the Travancoreans were said to have been slain, in consequence of an order issued to give no quarter. It may be here added, that the wife and daughter of Colonel Chalmers, with an infant, fell on this occasion into the hands of the Dewan, but they were returned, as report at least states, without molestation.

In the abstract here given of these transactions, I hope it may be clearly understood, that it is far from my intention to throw reflections upon any of the individuals concerned in them, on the part of the British Government. I know some of the principal gentlemen personally, and I know them to be men of strict integrity and distinguished talents. On this, as on every other similar occasion, it is the system, not the persons, that I



however, ended in the complete submission of the Travancore Government; and the successors of the unhappy Raja and his Dewan paid up, in 1809, arrears of subsidy, to the amount of 11 lacs of rupees.

Besides this, the Madras Government determined, that all the charges incident to these disturbances in Cochin and Travancore, should be defrayed by the Rajas—the Raja of Cochin one-third, and the Raja of Travancore two-thirds.

The ordnance, arms, and military stores taken by the British arms in this campaign, were estimated to equal in quantity all that was captured in Mysore.

The whole annual supply of tobacco (a monopoly in the Raja's hands) on its way from Ceylon to Travancore was seized, and condemned, (I believe) as lawful prize.

A great deal of property taken in Travancore was also sold as prize property.

On these transactions, the Madras Government observed, "that under the declarations made in their proclamation, published on the advance of the troops into Travancore, and the subsequent conduct of the Raja, which entitled him to the benefit of those declarations, it was our decided opinion, that *neither the property of the Raja, nor any of his subjects could, without a breach of public faith, be deemed to be lawful prize*, the British Government never having considered itself at war with the Raja.

Notwithstanding this proclamation, and the resolution founded on it, the Madras Government authorized all the military stores, arms, and ordnance, because, as they afterwards thought proper to state, these were instruments or means of offence used to oppose the advance of the troops, to be valued, and an equivalent sum to be distributed as prize-money to the army, which equivalent was

accuse, being convinced, that as long as the system continues, it never can and never will, be executed better.

P. 8. Since writing the preceding abstract, an official letter from the Court of Directors to the Government of Fort St. George, dated 29th September, 1809, on the Travancore disturbances, has been printed among the Parliamentary papers. In this, the principal subordinate agents in these transactions are not only exculpated, but praised for their conduct. It is thus distinctly admitted, that all that was done in Travancore was done by order of the Governor-General, and of the Governor of Fort St. George.

It is satisfactory also to find in this official document, a confirmation of several of the most important facts given in the preceding abstract.



charged to the account of the Raja, after deducting therefrom the value of other property belonging to the Raja, and his subjects, which had been captured and sold.

The value of this latter property, if rated at the amount of sale, would certainly fall very short, perhaps not be one half, of its former value to its old proprietors. Besides, being only credited in account with the Raja, it is more than probable the old proprietors never got one sixpence of the amount.

Of the guns and stores, however, it is necessary to explain that these, or probably the greater part of them, had on former occasions been purchased by the Raja out of the Company's stores. They were now taken in a warfare occasioned by the Travancoreans being driven to desperation, confiscated in breach of public faith, arbitrarily valued for the sake of prize-money, and then the Raja himself made to pay that valuation, to the army, namely 138,000 Pag^{as}, or £55,200, called by the Madras Government a *donation*; the Government retaining the guns and stores, which the unfortunate Raja thus paid for twice, without being allowed to keep possession of them!

In the order issued by the Madras Government for this donation to the army, Sir G. B. says, that he did not consider the British Government to have been at war with the Raja, but with his Dewan, or Minister; the poor Raja, however, paid for all!



APPENDIX X.

LETTERS complaining of certain Grievances sustained by the private Trade in India, particularly at Calcutta and Madras, dated in 1812, and enclosed in a Letter to the President of the Board of Controul, dated 20th May, 1813.

TO THE

RIGHT HON. THE EARL OF BUCKINGHAMSHIRE.

"MY LORD,

London, 20th May, 1813.

"THE undersigned agents for different mercantile houses established in the British territories in the East Indies, beg leave humbly to submit to your Lordship's consideration a Copy of a Memorial lately presented to the Governor-General of Bengal by the principal merchants there, on the subject of the duties of customs imposed by the Government at that port. At the time when the fleet, recently arrived, was dispatched for England, no answer to it had been received; and it was not expected that the undeniable hardship of the grievances complained of would procure any mitigation.

"It has therefore occurred to the undersigned, that the most effectual mode of obtaining adequate and permanent relief to their constituents, upon the points stated in the Memorial, would be to lay the case before your Lordship, whose talents and exertions are at present so usefully directed towards the establishment of the commercial intercourse between Great Britain and her Indian territories, upon a footing mutually advantageous to both parts of the empire. The undersigned deem it unnecessary to occupy your Lordship's time, in enforcing the importance of a fixed and equitable scale of import and export duties, to the prosperity of the trade with British India, if the existence of the private trade is to be at all permitted under any modification of freedom.



"They beg leave also to submit for your Lordship's information, upon a subject intimately connected with the present, that by letters brought by the last fleet, authentic accounts are received, that a duty of eight per cent. on all cotton and piece-goods of every description, exported from Madras by private merchants, has been imposed there; and that a similar regulation may be expected to take place at the other Presidencies. Your Lordship must be aware, that the effect of such a regulation, is not only to exclude all competition with the Company in the commerce of these articles (as they themselves are exempt from the duty), but must operate as a most serious discouragement to the cultivation of cotton, a commodity as yet in its infancy. Your Lordship is acquainted with the applications recently made to his Majesty's Government, with a view to obtain additional protection and favour to this article of Indian produce in the British market. Whatever success may attend that object, the undersigned humbly submit to your Lordship's judgment, the propriety of establishing, as part of the system on the renewal of the charter, some security, in all similar cases, against financial regulations, by the Company's Government in India, the effect of which necessarily must be, as in the present instance, to oppress, by excessive taxation, an object of agriculture in India, which would rather require a bounty for its encouragement; and to enhance, at the same time, to the British consumer, the price of a raw material, which every reason of policy demands to be supplied at the cheapest rate.

"We have the honour to be,

"My Lord,

"Your Lordship's most obedient humble servants,
(Signed)

FAIRLIE, BONHAM, and Co.

BRUCE, BAZETT, and Co.

FORCHER and Co.

PALMER, WILSON, and Co.

EDMUND BOEHM and J. TAYLER.

MORRIS and RENNY.

LARKINS, SON, and RUSSEL.

JAMES AMOS and Co.

WM. and THOMAS RAIKES, and Co.

PAXTONS, COCKEREL, TRAIL, and Co.

"P. S. We beg leave to inclose, for your Lordship's information, extracts of two letters, one from Madras, and the other from Calcutta, on the subject of the grievances complained of."

TO
GEORGE DOWDESWELL, Esq.
SECRETARY TO GOVERNMENT.

"SIR.

Calcutta, July 18, 1812.

"IT is with regret we find ourselves obliged to lay before the Right Honourable the Governor-General in Council, the hardship and inconvenience now suffered by the commerce of this port, in consequence of the heavy duties to which it is liable; and in doing so, we beg leave, in the first instance, to advert to the original duty of two and a half per cent., authorised by act of parliament, which has, at different times, been increased to the present burdensome rates; first, by an additional one per cent. on the plea of reimbursing the expence of the armed ship *Nonsuch*, equipped for the protection of the trade against the enemy's privateers; and afterwards by an impost of four per cent. under the denomination of town duty, making in all seven and a half per cent., which continued to be levied, under different regulations, until the month of May, 1810, when fresh regulations were promulgated, the duties being increased, on many articles of import, to ten per cent. and upwards, and which is, in some cases, still further increased, from the valuation of the goods, and the exchange fixed at the Custom-house.

"Although, by these regulations, at a time when, from the war, and other causes, commerce had lost its usual activity, the magnitude of the duties levied could not but be severely felt, still we conceived them to be established on a fixed basis; and it was in some degree satisfactory to know precisely what our trade was chargeable with: but in this we have been disappointed; the duties having been subsequently altered, at different times, with a view of further benefitting Government, without any proportionate consideration towards the merchant. As an illustration of this, we beg leave to instance the articles of copper, tin, and tuthenague, which, by the regulations of 1810, bore a fixed valuation; but

having, for some time past, supported a higher price in this market, the duty upon them was directed to be levied *ad valorem*. On the other hand, however, on articles, the value of which was also fixed by the regulations, but which have fallen in the market porportionably, as coffee, pepper, cloves, bettlenut, &c. no alteration has been deemed necessary, and the duties continue to be levied at the Custom-House valuation: whereas, if the duty in one case was altered to benefit the Government, we trust we might, at the same time, have looked for relief on imports that laboured under particular depreciation.

“ In regard to the exchange fixed at the Custom-house between foreign money and the currency of this country, we consider it to be greatly over-rated; the pound sterling being estimated at ten sicca rupees, and dollars at two hundred and twenty-five sicca rupees per hundred: thus, in the exchange, adding twenty per cent. to the amount invoice of goods imported in this manner, exclusive of the advance they are subject to before levying the duty.

“ We have also to notice the regulations respecting draw-backs on the exportation of goods, when only two-thirds of the import duty is refunded, and which, we conceive, operates as a hardship in the case of goods being shipped to the other ports in India, when duty is again levied in full; the duty on articles so situated being thus increased one-third, which we think should be remitted in the payment of the second duty.

“ With respect to the mode of collecting the duties, we are sorry to state, that it is, on many occasions, vexatious, of which the appeals we have found it necessary to make to the Board of Revenue, and to Government, will afford evidence in matters of moment; in those of lesser importance there is also cause for complaint, and particularly in duty being levied on articles of private use, with a minuteness that has not hitherto been customary, and which we cannot suppose to be the intention of Government.

“ We trust we shall be excused for drawing the attention of his Lordship in Council to this subject, trusting that the duties on the trade of this port may be established at a moderate and fixed rate; and should an alteration afterwards be judged necessary, that a public notification may be given of the same, and a certain period allowed for persons at a distance to make their arrangements with reference thereto, which has not been the case in recent instances, and disappointment has, in consequence, arisen to many, who



were not aware of their goods being chargeable with a greater duty than before.

"We have the honour to be,

"Sir,

"Your most obedient,

"Humble servants,

(Signed) FAIRLIE, FERGUSON, and Co.
HOGUE, DAVIDSON, ROBERTSON, and Co.
ALEXANDER and Co.
PALMER and Co.
COLVINS, BAZETT, and Co.
CROTTENDEN and M'KILLOP.
J. SCOTT and Co.
J. BARRETTO and Co.
J. GILMORE and Co.
W. HOLLINGS.
J. MACKENZIE.
P. LEAL.
MACKINTOSH, FULTON, M'CLINTOCK and Co.
TULLOH and Co.
GOULD and CAMPBELL.
D. HUNTER.
P. STEWART.
J. SARKIES and Co.
P. DA CRUZ.
JOHN DA CRUZ.
S. G. HUSSEN.
HADIE HYDER.
RAMGOPAUL MULLICK.
RAMRUTTON MULLICK.
RAMDOLOLL DAY.
NANJIE JOY CURREN.
BYRAMJIE, and CURSETJEE COWASJEE."

EXTRACT LETTER FROM MADRAS.

Dated 1st July, 1812.

"Should the Company's charter be renewed, we trust that considerable facilities and advantages will be conceded to the private merchants; but these will be of no avail, unless some restrictions be laid on the Company as to the extent of duties, or customs, to



be levied by them on goods exported for England. At present they can charge what they please; cotton, which was formerly exported free, not only to England, but to every part of the world, is now charged with a duty of eight per cent. Piece-goods of every description are also charged with a like duty, and Indigo also; but on the latter there is a drawback of three per cent., if it be exported to England."

"If the Company be allowed to levy any duty they may deem proper, it will of course at any time be in their power to put a stop to private trade altogether. At present, they are desirous of monopolizing all the cotton produced in the countries under this government; and if eight per cent. will not put a stop to the exportation of it by individuals, they will, we presume, double the duty, rather than not carry their plans into effect."

EXTRACT LETTER FROM CALCUTTA.

Dated 22d October, 1812.

"THE renewal of the Company's charter, with the restrictions which we have a right to contemplate, will no doubt make an epoch in the history of this country. It is however much to be regretted, that the commercial community here, and at other places of India, have been so little prepared to point out the serious grievances, under which the trade of this country is suffering, and which, if not remedied, threatens the annihilation of all private traffic. The whole system of arbitrary taxation on imports and exports, shows the narrow-minded, short-sighted policy of ignorant monopolizing merchants, jealous of their neighbours, instead of the fostering care of a good government, conscious that their own prosperity is best promoted by the general prosperity of their subjects. Our Custom-house tariff, the most imperfect, the worst digested composition, is of itself a heavier load upon trade than it can afford, but it becomes still more oppressive, when to this is added the most arbitrary alterations in the rates of valuation. There is a most glaring instance of the injustice of their proceedings, in a new duty just laid on, of 400 rupees on Arab horses below 14. l., and 200 rupees on horses above that size; and the duty is put in force immediately on the arrival of the annual Arab ships, with large importations of horses, without any previous notice of such duty having been given. To give you an idea of the duty



out of all proportion, to which the trade here is liable, I shall only mention a parcel of coast cloth from Ingeram, which came here, and was sent to the Isle of France for sale, and before the returns were received here, there had been a duty of no less than forty-seven per cent. paid to Government, viz. eight per cent. on exporting it from Ingeram, ten per cent here, twelve per cent. at the Isle of France, and fifteen per cent. on exporting dollars, or an equal premium for getting Government bills. Those goods, it is true, were entitled to a drawback here of five per cent., but in most cases the collectors find some plea or other to refuse admitting it.

"The prevailing principle seems, indeed, to be that of making the most of the present moment, without any regard to future consequences, as it requires but common observation to perceive, that the oppressions under which the trade is now labouring, must ultimately prove its destruction; that however may perhaps be the object in view, to annihilate all private trade, by giving the Company such advantages over individuals, that they may carry their goods to the different markets without fear of competition from the latter. *They have been sending regular investments, and opened shops at the Isle of France and at Amboyna; at Java they have monopolized the tin; and if you were made acquainted with all the details of the opium business, from the time Government pledged themselves, that the trade for that article at Java should be put upon the same footing as at Pinang and at Ben-coolen, till the present day, when they screen themselves behind their uncontrolled authority, and withhold indemnity for breach of engagement, you could not help feeling indignant, and acknowledging, that similar conduct in an individual would have marked him with disgrace.* The cotton trade to China will no doubt be the next object of their grasp; and I fear much, that if no effectual stop is put to the present system of oppression, while the charter is under discussion at home, and the prerogative of individuals not properly defined, little general benefit is likely to result from the opening of the trade."

THE END.



CSL

PART III.

ERRATUM.

In the running title of pages 163 to 195, for
"APPENDIX III." read PART III.

PART III.

On the official Accounts annexed to the Reports of the Select Committee of the Honourable House of Commons, appointed to inquire into the Affairs of the East India Company.

BEFORE I proceed to a detailed examination of these accounts, I think it necessary to premise, that I was led to this inquiry by perceiving that Appendix 26, of the Third Report, gave a different result from what the perusal of the Committee's valuable remarks, and the consideration of the accompanying *official* vouchers led me to expect: and that it contained a limited view, without embracing the *whole*, of the "Extraordinary Funds."

My first intention, therefore, was to detail the *whole* cost of the "Extraordinary Funds" on the one side, with their Disbursement on the other, as certified by official vouchers, in order to ascertain the actual result on a more extended scale, as I considered that the *whole* of these Funds, not a part only, should be stated.

This led to the further examination of all the accounts, including those of the Company's Export and Import Trade; in which my object has uniformly been, not to establish a pre-conceived opinion, but to obtain a fair and impartial view of the actual state of the concern from the *official* vouchers, which have been submitted to the Select Committee.

Though the ultimate result thus obtained differs materially from that exhibited in the Reports, it is not submitted to the world with any presumptuous desire to convey censure, where so much praise is due, for I think the public highly indebted to the Select Committee, whose able and persevering labours have furnished the country, I do not hesitate to say, with more authentic and important information in their Five Reports, than all the other works I have ever read on the affairs of India.



It will accordingly be seen throughout these remarks, that I not only follow the course of the Committee, but adopt several of their conclusions. Where I presume to differ, I do it under the sanction and support of the same official vouchers; the chief difference between us lies in their taking a more confined view, than I have done, both of the "Extraordinary Funds," and of the Export Trade; in the admission into the Fourth Report of a statement which relieves the commercial account of a mass of charges not political, *i. e.* not chargeable on the Revenues of India, by carrying them to a head termed "Doubtful"; and in leaving the whole of the ascertained loss, or "unfavourable variation," as a charge on the political concern; whereas the official accounts before us prove it to be assignable to the trade.

Upon these grounds my examination of the accounts led me to the conclusions stated in page 12 of the Second Speech.

First. That including the payment of the dividends, the Company had sustained a loss on the whole of their commercial concern, during the period reviewed.

Secondly. That owing to this loss, the dividends could not have been paid in any one year without the aid of loans. And,

Thirdly. That the revenues of India, for this period, were fully equal to the payment of all the expenses chargeable thereon, or what are commonly termed Political Charges, consequently that the increase of debt at home and abroad is to be ascribed wholly to the Company's commerce.

In the statements which substantiate the truth of these positions, I have, as before observed, followed the course and adhered to the authority of the Select Committee. Whoever reads the Reports will, however, perceive how frequently and how justly the Committee complain of the necessity of recurring to Estimates; they repeatedly declare the utter impossibility of giving a precise mercantile statement of the Company's trade from the intricate and involved nature of their accounts. In fact, the Company's own accountants only present to the public *Estimates* of the trade. Where I have recurred to estimate, therefore, it proceeds from the same necessity; but, in the few instances of such reference in the following remarks, I trust it will be seen that I have only quoted official vouchers; my object, I repeat it, being to ascertain, and exhibit, the true result of the documents in the Appendices to the Reports.

There is another obvious difficulty in respect to these accounts. They are stated partly in pounds sterling, and partly in Rupees, of different kinds, and Pagodas turned into pounds sterling, at an arbitrary rate of exchange. It is hence no easy matter to render sums so converted, with that precision and accuracy, which ought to characterize every figured statement.

From these considerations it may appear to some, that the result is still involved in some doubt. Of this the reader will judge for himself. I do not deny that other new statements may not possibly be produced, on the part of the Company, in addition to those which are contained in the Reports of the Committee, which would alter the sum total of this result, though probably not in any material degree; as I profess, however, only to trace out the true result of the official vouchers already produced, I feel that I am responsible for nothing more*.

The statements which substantiate the second and third points are probably the most decisive. They are official cash accounts, each kept throughout in the same coins, and in which, it is presumed, there can be no error. The conclusions to which they lead, I have endeavoured to render as clear, as I believe them to be incontrovertible. They strongly corroborate the result exhibited in the first; and therefore afford a further evidence of its truth.

SECTION I.

THE COMMITTEE have divided the official accounts, which present a view of the Company's Finances in India, into two branches, "Ordinary," and "Extraordinary," in some degree answering to a common division of the Company's concern into political and commercial; and it is clear that to one or other of these heads, must be carried every receipt and every disbursement.

The "ordinary" receipts and payments, or the revenues and charges of the territories in India, from 1792-3 to 1808-9, being comprised in the official vouchers annexed to the Second Report;

* If there were a real gain on the Company's trade, there could be no difficulty in shewing it in a statement so precise and simple, as to defy comment. As this gain has only been attempted to be shewn to the Public in Estimates, and these liable to numerous and weighty objections, we are hence furnished with a strong presumption against the reality of its existence.



those in the Third are intended to account for the "Extraordinary Funds," in all the Supplies to the Indian treasuries, and Disbursements, including returns of Investments provided for Europe.

It is not easy to form a correct idea of the advantages or disadvantages of the Company's trade, without first ascertaining the actual capital employed, and tracing its action through the gain or loss of extensive and multiplied operations during the seventeen years, for which these accounts are made up; but there is neither statement, nor estimate, of the amount of the capital employed, and consequently no charge for interest thereon during the period.

MONEY BORROWED IN INDIA to the amount of £.20,905,194, is the first sum to the debit of the Indian treasuries in the Appendix, No. 26, which purports to shew the AMOUNT of the EXTRAORDINARY FUNDS, and the APPLICATION of the same, from 1792-3 to 1808-9, inclusive*.

Next follows, in the same account, the amount of supplies from England, viz.

Sales of goods and stores.....	£.8,904,068	
In bullion.....	7,360,752	
For bills of exchange, including those said to be for principal and interest of the debt.....	14,746,038	
Received on sundry accounts.....	393,372	
		£.31,404,230
These, with the money borrowed, viz.....	20,905,194	
Constitute the TOTAL RECEIPTS, per Ap. No. 26.	£.52,309,424	

The correspondence of which, with the Disbursements, as they are stated in the same Appendix, at £.52,293,289, leaving a balance of only £.16,135, which is thought too inconsiderable to be afterwards noticed, would be more satisfactory and conclusive, had the particular sums been correctly stated; but before we show the inaccuracy of the sums on both sides of this account, which, it is conceived, if properly adjusted, would leave a very different balance, it is to be observed, that were there no just grounds for objecting to the sums, were the result strictly such as this Appendix has recorded, the merit of *accuracy* alone could apply to the Company's accountants. The waste and misapplication of the

* Third Report, page 48.



funds, and ultimate loss, would not thereby be diminished: and in the next page of the Appendix to the same Report, No. 27 there is a statement, shewing what, agreeably to Appendix, No. 26, is the actual loss, defalcation, or as it is also termed, ALTERATION of the balance in India, and that proves to be no less since 1792, than £.12,606,528 sterling*.

However discouraging may be the labour of pursuing these accounts with no hope nor possibility of discovering a profit, and with no other prospect than that of exposing the whole extent of the loss, its nature, and the causes of such an unsatisfactory result on a trade of such magnitude, the following observations are added to show that in Appendix, No. 26, the Receipts are underrated, and that the Disbursements do not account for the amount of the Extraordinary Funds by a deficiency of £.2,273,993.

Hence it will appear that there is not only a loss of more than twelve millions sterling, as above stated, but that unless the difference between the Receipts and Disbursements be otherwise accounted for, the Extraordinary Funds of the Company require explanation in respect to a further considerable loss; but, whether my view of the statements in the Report be correct or erroneous, the examination of these figures must not divert the reader's attention from the alarming admission in the official accounts before us; that, after valuing all the effects of the Company in India, at the utmost, they only amount to..... £.8,298,666
Whilst their additional debts are..... 20,905,194

Admitted deficiency..... £.12,606,528

The balance thus estimated (for it is avowed to be no more than estimated) is termed the "*unfavourable variation*†" of the Company's Financial affairs abroad; but this is considered to be founded on too limited a view of the Company's whole debts and assets. "The arrears of allowances," &c. due in India, are, on the one hand, excluded from this statement, though constituting as valid a demand upon the Company, to be liquidated from their Funds, as any other portion of the general debt; whilst, on the

* These two Appendices, No. 26 and 27, are annexed to these remarks under letters A and A a.

† Third Report, page 369.



other, are omitted the available assets in China, Penang, &c. With these additions, on both sides, the debts, including arrears, being in 1792..... £.9,142,720
And in 1809..... 30,812,441 *

The actual net increase of debt for the period is.....	21,669,721
From which, if we deduct the net increase of assets from Indian and European Funds for the same period, at the value placed on them by the official accountants, viz.	
From Indian Funds.....	8,298,666
Assets in India from English Funds..	1,285,957
Ditto in China (Fourth Rep. p. 451)	618,700
Ditto St. Helena (ditto, ditto).....	100,633
Ditto Penang (ditto, ditto).....	213,786
Ditto Cape of Good Hope (ditto, do.)	14,085
	10,533,827
The <i>unfavourable variation</i> in the balance abroad will be.....	£.11,135,894

In Appendix 22, Fourth Report, the actual increase of debt for the corresponding period at *home*, including new stock, which the Committee admit (page 451) should be added to the home debts, because its expenditure "has contributed to the increase of assets," is..... £. 4,903,763

From which is to be deducted the net increase of home assets for the period stated by the Committee (Fourth Report, page 450) at £.3,766,112. But this includes a sum of £.960,000, which is a claim on his Majesty's Government for stores, &c. which claim was finally rejected by the Select Committee of the House of Commons,

* Third Report, Appendix 2.



Brought forward..... £.4,903,763 11,135,894

in 1808; and which the present Committee, therefore, consider to be a "disputable, if not wholly objectionable" Item. On the principle adopted in the adjustment of the Indian asset account of excluding all "bad debts, or debts or property merely nominal," this sum should certainly be omitted here. The net increase of home assets to be thus deducted is therefore..... £.2,806,112

And the "*unfavourable variation*"
in the balance at home will be..... 2,097,651

Whence the total "*unfavourable variation*" at home and abroad during the period, or, in simpler terms, the sum total of irrecoverable loss on the concern (even supposing the assets to be really worth their assumed value) is in this view £.13,233,545

If the assets however should not realize the amount at which they are valued in these accounts the sum total of irrecoverable loss will be proportionably greater.

But to return to the "Extraordinary Funds," the sums to the debit of this account, seem to require the following corrections:

Under the head "Received in Supplies from England," Sales of goods and stores are stated at.... £.8,904,068

REMARK I.

These goods and stores are charged in England against India. (See Third Report, page 8, and Appendices there referred to) in the sum of £.12,247,296
From which should be deducted for short deliveries allowed by the Shippers, or made good by the owners of Ships..... 357,185
£.11,890,111



This then is the sum which in the Company's books stands chargeable against India, for supplies of goods and stores, and although it appears that part, valued at £.335,893, was lost by capture and shipwreck, there being in the invoices no charge for insurance, the goods which arrived should be considered to come loaded with the value of what was lost, and the Export Trade to India is fairly chargeable with the whole amount..... £.11,890,111

If the goods and stores sold in India, yielded to the Treasury only £.8,904,068, without including the stock in hand at the end of the period, as hereafter allowed for in the account we shall exhibit, place the amount charged by England against India on one side, and on the other the amount of sales, and value of the stock, the difference is either profit or loss; and in this case, unhappily for the Company, it is all on the wrong side, being a heavy loss on the Export.

The amount of bullion requires no comment, no more does the sum of £.393,372 received on sundry accounts; but

REMARK 2.

For Bills of Exchange on the Court of Directors £.14,746,038 only is charged in India, while the amount *actually paid* in London differs, on account of the course of Exchange being calculated in India at a lower rate than the bills were actually drawn, and in consequence also of interest, which became chargeable on these bills from a delay in the payment, which together increased the amount from £.14,746,038 to..... 13,489,575

And this is the sum properly chargeable against India, on account of these bills, as being the amount actually paid in London.

* See Third Report, page 8 and 9; and Appendix, No. 6 and 10.

APPENDIX III.

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Under the head of DISBURSEMENTS of "THE EXTRAORDINARY FUNDS" the first sum is

Excess of the Political Charges in India.....	£5,078,015
Then Commercial Charges not added to the Invoices.....	2,916,279

Neither of which requires any remark, in this place; but to the next sum in succession, £26,038,266, being the amount of *Advances* for Investment, there seems to be the following serious objection.

REMARK 3.

In the Appendix, No. 4, of the Third Report, is stated the amount of all Supplies from the several Presidencies in India, by investments of goods or cargoes *consigned* to England, and the amount of all payments for which England is debited. The investments are there entered only at £25,407,099, (instead of 26,038,266) that is, the invoice cost of the actual returns. It appears more regular to credit India for the same sums, which are carried to the debit of England in the Indian books, and Appendix 4. or 25,407,099

In other words, to take the amount of the investments actually consigned, rather than advances for their purchase, because "Debts, including advances for Investments," is one of the heads of the Asset account; and "Export goods," or goods in warehouse, not yet consigned to Europe, is another.

By taking the larger sum, or the *Advances*, credit is twice given for the difference between..... 26,038,266 and 25,407,099

Being..... £631,167

first, in considering the larger sum as the actual return in Investments for England; and, secondly, by including the difference, as obviously appears from the preceding explanation, in the adjusted amount of Assets, both being on the credit side of this statement.



REMARK 4.

Extra charges on account of the Island of Ceylon and the Dutch Settlements.....	£.1,223,571
The Committee add another sum, because expended in India, though not admitted in England.....	437,774
Total.....	<u>£.1,661,345</u>

Of the latter item, or £.437,774, it must be observed, that though it may have been disbursed in India, still being rejected in England, and not paid by Government to the Company, as the other amount was, it cannot be considered a supply to the Home Treasury. It is evidently a dead loss to the Company, and can only come in to the statement to account for the ultimate balance or deficiency.

REMARK 5.

In the account of supplies from Bengal to Madras and Bombay, the debt in the Bengal books exceeds the credit in the books of the other Presidencies, by the sum of £.873,403.

This item is entitled in the account before us, "Loss on Remittances and Consignments from Port to Port in India;" and in the Report itself it is "chiefly attributed to the effect of the exchanges at which the remittances or consignments were made, but partly to the exchange at which the conversion of the coins of each of the presidencies is effected, in order to preserve conformity with the rate used in the calculation of the accounts of the Revenues and Charges."—This explanation would incline us to suspect, at least, that the loss was merely nominal. At all events, if it has real existence, it is obviously nothing but a loss, not a disbursement. It might serve in part to account for the *balance* of such a statement as this is, but ought not to be admitted into the body of an account of actual cash receipts and disbursements. If this item be admitted, might not all the bad debts struck out of the asset account be admitted also? for they are equally what this is stated to be, an irrecoverable "loss of so much property."

* Third Report, page 12, and Appendix 23.



REMARK 6.

We then come to sums written off the Indian books of accounts for losses incurred, £461,428. This also is an objectionable item. It is neither an actual disbursement, nor any other direct application of the "Extraordinary Funds," but an apparent loss in consequence of some previous disbursement or application. Its proper place therefore would seem to be among the losses and bad debts. The explanation given of this item in the Third Report, is too concise to enable us to form any satisfactory conclusions as to its real nature. All that can be said is, that it would seem to be a loss of property of some description or other; and as this, as well as the preceding item of £873,403, are both stated by the Committee, wherever they occur, to be extra to the bad debts or losses struck out of the Asset account, we must be content to consider them in the same light. But we shall not omit these items, however suspicious, from the statement about to be given, as the object of it is the true and actual result of all the accounts which have been brought forward, and therefore neither to omit, nor to add, any thing of our own authority.

REMARK 7.

The next item is "Increase of Assets by the application of Indian Funds £8,298,666." As far as this consists of goods and stores on hand, they are inserted at their *estimated* worth, *i. e.* the amount, including profit, they are expected to realize on sale, and not the *actual cost* of the commodities. It is evident however, on closer inspection, that by means of an arbitrary valuation of the assets, this account might be made to shew any result that might be desired. The assets, therefore, in an account of this kind, ought to be stated at their actual cost, not their estimated value. But besides that, a great mass of assets, after allowing for damages, deficiencies, and deterioration of value, seldom realize prime cost, it must be remarked of this particular sum, that it contains, besides the above-mentioned double credit for advances for investment, and goods on hand, £631,167, near a million sterling for salt and opium*. Now we are expressly told, both in

* In the Asset Account, Appendix, No. 9, of Third Report, the value of the salt and opium, rum, grain, and cattle, all of which would appear to have been originally produced from revenue funds, is estimated at £951,048.



the Second and Third Reports, that the whole cost of these articles is defrayed from the Revenues. It therefore enters into that account, of which the first item brought to the credit side of this, or £5,078,015, is the excess or balance, we have consequently a double credit of the salt and opium in this account; and the assets, are here over-valued in the whole amount of these articles.

As we shall have occasion presently to analyze the asset account more minutely, the item may for the present stand subject to future correction.

The remains of European goods and stores in warehouse or dead stock are omitted in this Appendix, because the supplies from Europe are not *fully* stated on the debit side of the account, which exhibits only the amount realized by sales within the period; but in a statement, which purports to account for the whole of these "Extraordinary Funds," these remains should certainly be included.

To those who think that the whole of the "Extraordinary Funds" require to be accounted for, it will probably appear, that the following is a more accurate, or, at all events, more comprehensive view.



In the official accounts annexed to the Third Report, there is no precise statement of Capital employed, nor Profit and Loss Account, but the deficiency shewn by the operation of the preceding figures appears there to be accounted for by the following admitted losses :

After taking credit for the amount of <i>all</i> the sales of goods and stores within the period, and of <i>all</i> the remains in warehouse, there is still a balance under this head which "cannot be accounted for," and which is thus obviously a dead loss on the concern (Third Report, page 8) of.....	£1,276,552
Loss of goods by capture and shipwreck, outwards, (Ditto Ditto).....	335,893
Loss on the bills of Exchange, being the difference between the amount realized in India on these bills, at the exchange uniformly adopted in the Company's accounts abroad, and the amount actually paid on these bills at a higher exchange in London. See Third Report, pages 8 and 9, and Appendix, Nos. 6 and 10.....	743,537
Total avowed Losses, as per official vouchers annexed to Third Report.....	<u>£2,355,982</u>

This is exclusive of the losses, stated in the body of the account, of £.873,403 and £.461,428, admitted here and in voucher 51 of Fourth Report to be actual losses, though not chargeable to the Political Head.

From this view of the case, it appears that the combined losses on the account of "Extraordinary Funds" amount to at least £.3,608,824 *, i.e. that so much loss in principal money has been sustained on the concern in India, which the Appendix, No. 26, does not exhibit, but which, if it did exhibit, it is clear, throughout these Reports, the Select Committee would not have carried to the Political Head.

* Balance of the rectified account of "Extraordinary Funds" 2,273,993	
Loss by consignments from port to port in India....	873,403
Losses at the several presidencies.....	461,428
	<u>£3,608,824</u>

On the debit side of the foregoing account the goods and stores from England are said to be surcharged with 10 per cent. above their actual cost. The deduction of this sum, or £1,189,000, would *pro tanto* diminish the balance, or loss; but, on the other hand, the loss would be increased by all the amount, in which the assets on the credit side are overvalued, beyond their actual cost. In the following Section we shall see good grounds for estimating this overvaluation at about three millions sterling. If therefore an accurate adjustment were made of these two items, the balance, or deficit, of the preceding account would certainly be much greater.

SECTION II.

IN Appendices No. 1 and 2 of the Third Report we have a view of the Company's debts and assets in 1792, compared with the same in 1809; in order to shew what has been the general result upon their affairs in India, in a "Financial view, by the various operations of a political and commercial nature," between the dates above mentioned.

The amount of debts in both periods is adjusted by deducting from the gross debts, "Arrears of allowances in the civil and military departments," by which operation the debt of 1792 is reduced to £7,992,548, and the debt in 1809 to £28,897,742; wherefore the net increase of debt is given at £20,905,194. The amount of assets at the same period is also adjusted, by deducting from the gross amount such items as "must be considered to fall under the description of property or debt merely nominal." By this operation the net amount of assets, in 1792, is reduced to £3,800,838, and in 1809 to £12,099,504, leaving for the net increase of assets £8,298,666, of which latter sum £5,615,494 are stated to be cash actually in the treasuries of the presidencies of India. Deducting then the net increase of assets from the net increase of debts, and the difference, as before observed, is £12,606,528, which is stated to be "the amount in which the financial affairs of the Company in India may be said to have *unfavourably varied between April 1792, and April 1809.*"—It would be well for the East India Stockholders, if this soft term admitted of any interpretation short of irrecoverable loss; the truth is, that the original capital of the Proprietors, the



Company's effects, monies, goods, debts, &c. valued by themselves, are less than their additional debt, in the frightful deficiency of £.12,606,528.

A separate statement is afterwards given in the Appendix, No. 27, (letter A a annexed) to shew the various items of disbursement, of which this net balance of £.12,606,528 is considered to be composed. This is drawn from the voucher immediately preceding it, No. 26, and therefore liable in the first instance to the corrections already made in that account. In some respects, indeed, it may be thought superfluous. The fact of certain extra payments causing an addition to the debt, is sufficiently illustrated in Appendix, No. 26. A disbursement of 52 millions (as there stated) on the one side, is balanced by a loan of 20 million on the other. This is an alarming admission, that the cash disbursements have so much exceeded the cash receipts, that 20 millions have been borrowed to supply the deficiency; of which only eight millions are still considered to be available assets, or tangible property. But as important results are attempted to be founded on the supposed accuracy of this account, it is necessary to examine a little into the principle on which it is framed. Besides that several of the items in No. 27 are incorrectly stated, it is obvious to remark, that its accuracy must entirely depend on the correctness of the balance of debt itself, that is thus brought forward, *to be accounted for* by certain extra payments.

If, for example, with a debt of 15 millions, there be 5 millions of good available assets, forthcoming, and not overvalued, the remaining 10 million, may be truly accounted for by the other extra payments found in other parts of the accounts; but if, in course of time, 3 out of the 5 million of assets become good for nothing, and ought therefore to be struck out of the account, the remaining two million of assets being deducted from the 15 millions of debts, will leave a balance of 13 million, which can no longer be accounted for by 10 million of payments. Such an adjustment of the asset account, by striking out bad debts, is perfectly right, when the object is merely to ascertain the amount of really available assets that may be set off against the gross debt; but the principle ceases to be accurate in reference to a statement that is *to account for* the balance of debt; since with a balance thus adjusted is brought forward a portion of debt, expended on the creation of the rejected assets, and with which the remaining payments have therefore nothing to do; a portion that ought, *for*

this particular purpose, to be struck out of the debts, when the bad assets, by the creation of which it was originally incurred, are written off also.

In the Appendix, No. 27, 20 million of debt is reduced to a balance of 12 millions, by 8 million of supposed available assets. But the asset account is first adjusted to this sum by striking out about 4 millions of bad debts, and of monies expended on the Egyptian expedition, because the latter had been repaid in England. Now as the expenditure on these rejected 4 millions of assets, particularly on the Egyptian expedition, certainly contributed to raise the debt to 20 million, it is evident that any balance of debt, drawn without reference to these 4 million, cannot be accounted for by the remaining extra payments to be traced in the accounts; any statement that pretends to do so must, as this does, contain ideal sums, or double credits. This account, therefore, in its present state, proves too much; for the net increase of debt being 20 millions, and the assets originally created out of this sum about 12 millions, of which 4 millions have been written off as bad, there only remained 8 millions of debt, to be accounted for by other disbursements; whereas payments to the amount of 12 millions are brought forward. The balance that is required to be accounted for is thus exceeded by about 4 millions; and the losses and bad debts being kept out of view, their place in this account is supplied partly, as I conceive, by sums not actually disbursed, such, for example, as the estimated profit on assets; and partly by entering through mistake some of the disbursements twice over.

These mistakes are chiefly referrible to the *asset account*, as there can be none in respect to actual cash disbursements. It therefore follows, that inasmuch as the cash disbursements and the assets together exceed the debt, insomuch must the assets be over-rated, which may have occurred in two ways:—First, by over-valuing the goods above their actual cost; and, secondly, by stating as assets in the account of “Extraordinary Funds,” what had been created by disbursements from the “ordinary Funds or Revenues.” We know, for example, as before remarked, that the salt and opium are twice credited*, once in the first item on the credit side of this account, £5,076,015 being the assumed excess of charges over the revenues in India; and

* See page 168.



again in the item of assets. Another excess is accounted for (Page 11) by a double credit in the account to the amount of £.631,167; that is, by including this amount in the "advances for investment," and also in the amount of assets. There are no documents to prove specifically how other over valuations may have occurred; but if the following analysis is founded on a correct principle, the result cannot be far from the truth; and it is to be lamented that the Report furnishes no more direct way of ascertaining it.

Net increase of Indian debt to be accounted for.... £.20,905,194

Increase of assets for the same period

in Bengal, Madras, Bombay, and

Bencoolen, amounts, as per Ap-

pendix, No. 9, Third Report, to

£.12,573,873, and consists of the

following articles :

Cash and Bills..... £.5,615,494

Stores..... 951,519

6,567,013

Debts, including advances for Invest-

ment..... 4,160,493

Export Goods..... 156,067

Import Goods..... 739,252

Salt, Opium, Rum, Grain, and Cattle 951,048

£.12,573,873

DEDUCT, as not apper-

taining to this ac-

count, revenue ba-

lances, net increase

(3d Rep. Ap. 2.)..... £.847,379

Stores from English

Funds, estimated by

Committee (3d Rep.

page 8)..... 634,346

Import Goods..... 739,252

2,220,977

Carried forward £.10,352,896



Brought up..... £.10,352,896 £.20,905,194

Add—Treasure consigned from Bengal to Madras, and on the passage, the amount not included above as per asset account, (No. 2, 3d Report)..... 717,561

The above account does not include China or Penang. In the 4th Report, page 37, and the Appendix referred to, the balance of assets at the former, amounted to £.618,700, at the latter to £.215,786—What proportion of these are from English, and what from Indian Funds, cannot be stated; but if we divide the sums, and ascribe half to India, the amount will be..... 417,243

Total estimated amount of assets from Indian Funds..... 11,487,700

Actual Cash Payments, viz.

Excess of political charges in India..... £.5,078,015
Commercial charges..... 2,916,279
Advances for supply of England, in excess of receipts..... 276,926
Advances on account of Ceylon and the Eastern Islands..... 1,661,345
Payments to private creditors of the Nabob of Arcot..... 1,058,953
Do. . Do. . Raja of Tanjore..... 64,044

11,055,562

Loss on remittances and consignments from port to port in India... 873,403

Carried forward 23,416,665



APPENDIX III.

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CSL

Brought over...	£.23,416,665	£.20,905,194
Losses at the several presidencies....	461,428	
Purchase of dead stock in India.....	200,000	
		24,078,093

Difference or amount in which the assets would appear to be over-rated, as referrible to the Indian debt, or to the disbursement of the "Extraordinary Funds"..... 3,172,899

In a statement of this kind, purporting to account for the increase of debt, by means of the items of expenditure which occasioned it, it is necessary that every thing should be stated at its *actual cost*. If, for example, a debt of..... 10 is occasioned by an expenditure, viz.

Paid.....A	3
B.....	1
C.....	1
	— 5
And <i>actually expended</i> on assets.....	5
	— 10

It is clear, that we can only account for this debt by rating the assets at their *actual cost*; if we were to rate them, in consequence of an expected profit, at 7, instead of 5; the assets, and other expenditure together, would make 12, and therefore exceed the amount of the debt by 2.

Of the two double entries which we have before noticed in this account, that in the salt and opium amounts to near a million sterling, and in the advances for investment above £.600,000 more. There are grounds to presume also, that the remaining goods of this asset account must be overvalued. It is a known practise in preparing the Company's accounts, to state the goods on hand not at their actual cost, but at an estimated value, including the profit expected to be realized on them. In the account of home assets this is avowed to be the case, in no less a sum than £.998,000 in one instance, which the Select Committee have very properly rejected. (See Fourth Report, page 36, and Appendix referred to); and from the preceding analysis we may fairly conclude it is as certainly the case here. At all events the over-valuation is thus proved, although it may not be so easy from the accounts before us to state its exact amount.

Of the "unfavourable variation" in the general balance £12,606,528, it must also be remarked, that in the adjustment of the debts, to exclude, as has been done here, "the arrears of allowances due," is just as if a man were to exclude an actual arrear of servants' wages from the list of lawful demands upon his purse. With 5 millions in the Treasury, these arrears ought to be the first demands to be liquidated; when the assets would be, *pro tanto*, reduced, and in every view of the case, therefore, the arrears ought to be included in the amount of the Company's debts.

The Revenue balances, on the other hand, it is said, are counted upon to augment, as far as realizeable, the adjusted amount of assets; together with the increased value of dead stock in India; and likewise "the net amount of the sums recovered in England, in liquidation of the disbursements in India chargeable to the public."

Of the former item I can aver, from my own experience, that Revenue balances of any standing in the books are seldom, if ever, recoverable; they may generally be classed among the worst of bad debts. The second item, or dead stock, is brought forward at the close of the Fourth Report, as an asset against the united balance of home and Indian debt. And the third, or the amount recoverable in England, will be found in the sequel to have been a favourable remittance to Europe, and to have afforded effectual aid in the reduction of home debts, so that it here requires no further consideration.

With these adjustments, the net increase of debts between 1792 and 1809 would, as before shewn, page 8, be £21,669,721, instead of £20,905,194. Here the assets may be properly stated at their full real value; and if these assets were actually worth £8,298,666, this amount, whatever they may have cost, should be deducted from the net increase of debt. The amount of "unfavourable variation in the balance" would then be £13,371,055, instead of £12,606,528.

Of the net increase of assets stated at £8,298,666 as above, we find, on reference to Appendix, No. 9, that £5,615,494 were in cash and bills in the Indian treasuries in 1809, and the remainder in good debts, and in goods of different descriptions in warehouse.

In respect to the goods, I observe no allowance is made for damage and deficiency. It is well known in India, that there have



been great losses discovered in this respect, on every examination of the warehouses. As to the cash and bills on hand, this hoard is not pretended to be a consequence of superabundant funds; but a sum which "more from adventitious causes than from an excess of income, has accumulated in the Indian treasuries."

The real amount of the Company's Indian debt was, on the 30th of April 1809, £30,812,441. Of this sum £27,089,831 are stated to have been on the register bearing interest; and the interest amounted to £2,191,084 per annum. The Select Committee justly feel all the danger of this heavy burden on the Company's finances; it is noticed, in some parts, almost in the language of despair. Those who have been in the habit of confining their view of financial operations to the revenues, the taxes, and the debt of England, compared with the aggregate of its population, may be surprised to hear that the Government of one of the finest, and most fertile, countries on earth, with a population of 60 millions, is sinking under the load of 30 millions of debt; but the fact is indisputable, and when the general and *confirmed* poverty of the people, the ambition, the prejudice, and the errors of their Governors are considered, there are certainly but too just grounds for the alarms which the Committee have expressed.

If we compare this result with the state of the Company's affairs in 1792, the "*unfavourable variation*" will be most striking in the following circumstances:

In 1792 there was a surplus revenue; in 1809 a heavy surplus charge.

In 1792 a debt of 9 millions; in 1809 a debt of 30 millions.

In 1792, and for some years previous, a plan was in operation for the reduction of the Indian debt, which the Committee deem to have been "completely efficient;" in 1809, and for 14 years previous, the debt is proved in every year to have progressively increased, the operation of the sinking fund having also ceased.

In 1792 there was abundant confidence in the honour and moderation of the British character, with more of the native powers ready to court its alliance than to incur the risk of its enmity; in 1809 it is painful to observe, there was an universal hostile feeling, and a dread of all connection with our Government.

In 1792 public credit was high, and a general confidence pre-



vailed in the fair dealing of the Company towards their creditors. In 1809 it began to be known, that the creditors were not sufficiently secured in their transactions with an arbitrary Government; the effect of which will certainly be felt in the next loans which the necessities of the Indian Government may compel them to propose.

In the extension of our Indian empire, there is no ground that I can perceive for exultation. Internal improvement is easy to be spoken of; and to persons at a distance from the scene, plausible instances of it may be adduced, but probably the observations in Parts I. and II. of this publication will be thought to go a great way in proving the reverse; whilst of additional security, it should at least be remembered, that sentiments of confidence and admiration of the British character, are now very generally exchanged for the most hostile indignation and dread; and that only the present superiority of our military power opposes the secret, and the more dangerous, because secret workings, of this now almost universal feeling.

SECTION III.

The Third Report closes with a statement to shew that the "Political is debtor to the Commercial concern," for the period under review to the amount of £.1,629,701; on which I should not venture to offer any remark, were I not supported by the Select Committee, who think this statement liable to serious objection, and because it seems to be a favourite object with the official accountants of the East India Company to establish this conclusion: which, in the present instance, is deduced by stating the supplies from England to India to exceed the returns from India to England.

The supplies from England to India are stated to be	£.43,808,341
The supplies from India to England.....	42,178,640
	£.1,629,701

"Which," it is added, "is the amount in which, upon the principles now acted upon, the POLITICAL may be stated to be debtor to the COMMERCIAL CONCERN during the period in question.

It is evident, from the observations in the Report, that the



- Select Committee place no reliance on this result; it is as evident, that their hesitations, or objections, are justly founded, since the amount of customs, freight, charges, and interest, is wholly omitted.

In Appendix, No. 25, of the Fourth Report, the customs on the

India trade within the period are estimated at..... £5,553,954

Freight..... 8,724,258

Charges..... 2,240,594

Interest is nowhere calculated, nor even estimated, but it would surely not be too much to consider five cent. on the whole amount, being only one year's interest, as a proper charge on the trade, of which the returns are so slow; and this, it is submitted, ought to be calculated on the investments in India; and also on the shipments from England. If the omission of such considerable charges on both sides of this account left room for any confidence in its result as authority for practice, or a source of even speculative information, the result itself, as thus given by the Select Committee, would appear to be fatal to the credit of the Company's commercial operations.

Taken as a verdict of the inquest on their affairs during the last seventeen years, as traders or trustees for the British public, in a most important branch of the commerce of the world, it records

That the SUPPLY by India to England has been

only..... £42,178,640

While the RETURN from England to India has

been..... 43,808,341

Balance..... £1,629,701

Which would, from this statement, appear to be so much to the disadvantage of England, the amount being funds, thus actually withdrawn from England, and sent to India without returns. This would be the natural conclusion from these data, if they were in all respects correct; but the affairs of the East India Company would then be desperate indeed: the only chance of amendment, the only hope of security, the only possibility of the Company's ever recovering any part of their losses is in the very reverse of this being the truth, of which evidence will be pre-

* Vide letter C annexed.

† Third Report, page 29.



sently adduced from the Second Report of the Select Committee. It will be seen that the political concern, in the accounts of the territorial revenues, has actually furnished the means of paying all political charges, including the expenditure of *military armaments and expeditions, buildings and fortifications, the marine, civil, and judicial establishments*, within the year, in which any of those political charges were incurred.

Had it not been so, were the political concern debtor to the commerce, were not the revenues sufficient to meet every claim, under the head of Political Charge, the charter would not be an object worthy of contention, the trade would not be pursued as deserving the zeal and labours of the directors.

The division of the Company's concern, without any ascertained boundaries of the commercial from the political branch, and this imperfect charge of £1,629,701, imputed to the one, with a view to relieve the other from a burthen of losses and waste, which must ultimately overwhelm the whole, may be compared to a division in the character of himself by an ecclesiastical potentate, who, when reproached with his licentiousness, replied, that he was both prince and bishop; and that if he was guilty of the sins with which he was charged, they were committed in *his political capacity*. He was then asked, Should the D—-I run away with the prince, what would become of the bishop?

Inevitable also would be the downfall of the Company, if there were any defalcation of political funds; these are and have been, during the period reviewed by the Committee, the principal source of income to the proprietors, and the only security for the creditors, however the concern may be artificially and fancifully divided; as will be more particularly shewn and proved, after briefly observing, that with apparently the same view of proving England to be a creditor of India, an account was presented to the Select Committee of the House of Commons, dated East India House, 19th March 1813, under the signature of the Accountant General, which carries the amount of the balance against India from the sum stated by the Committee at £1,629,701 to £8,024,067. This account is entitled an Account of the "Balance of Supplies between India and England," &c. and extends from 1792-3 to 1810-11, inclusive. (Letter B annexed.)

Were this account entitled to credit as to the amount which England is alleged to be in advance for Indian commerce, the danger which threatens the East India Company would be greater



than it has ever yet been represented. The only hopes for the Proprietors and the Public are in the very reverse of this account also proving to be the truth.

It makes the balance.....	£ 8,024,067
The Report.....	1,629,701

This account, therefore, exceeds that of the Com- mittee's statement by.....	£ 6,394,366

The magnitude of this difference is alone sufficient to shake the credit of one or both.

It is true that one is continued a year later than the other; but this by no means accounts for the difference in their results, unless it should be pretended that the fluctuation in the Company's prosperity, during that year, amounted to upwards of six millions sterling.

Readers who may have taken the result of either of these accounts as criteria of the Company's commercial position, should be told, that the balance against India, as stated in this account from the India House, is loaded with a charge of bills of exchange, amounting to..... £ 22,982,091

Whereas it appears by Minutes of the Evidence of Mr. Cartwright, page 590, that the amount of bills actually paid up to March, 1810, inclusive, was only * 15,489,575 Which must include the Funds employed in purchasing the Investments received in England in the following season of 1810-11, being the last for which any credit is given to India in this account.

Overcharge.....	£ 7,492,516

* See Third Report, page 8; also the Account of Extraordinary Funds in Appendix 26, 3d Report. See also Minutes of Evidence, No. 23, 27th May 1815.



In the amount taken by the Accountant General as a charge against India, are included the following :

For Bills of Exchange drawn in <i>favour</i> of the Company.....	£.873,225
For bills running on the Company, dated previous to 15th Sept. 1811, being.....	£.9,123,875
Deducting the amount dated previous to 15th Sept. 1793.	2,504,584
	6,619,291

Overcharge as before.....£.7,492,516

It is only necessary to observe as to this difference of £.7,492,516, that many of the bills, drawn from India, are not payable till the year 1813, and that if they were entitled to a place in this account as against India, the investments of goods in India, or as it is termed, "the supply from India to England," should be carried on *three* years later.

But besides the omission of freight and interest, both these accounts are further imperfect in taking the amount of supplies from India to England at the invoice prices, of which the rupees and pagodas are brought into sterling money at a lower than the actual rate of exchange—lower than the rate at which India is charged in the same account for the bills drawn on England, whilst the charge against India of Returns from England is avowedly loaded with 10 per cent. upon the actual cost. India is thus debited with goods and stores at more, and credited with supplies to England at less, than their actual cost; but to give India due credit for her supplies to England, the proceeds of these goods in the amount of cash returned to the Treasury in Leadenhall Street, should have been stated; without which the figures in these two accounts prove nothing.



SECTION IV.

THE Appendices 4 to 9 of the Fourth Report present us with an official view of the supplies to, and returns from, China, including expenses for the island of St. Helena. The returns fall short of the supplies, according to these official statements, in the sum of £1,612,391, which the Select Committee very accurately explain to be so much apparent loss; but deducting from the English supplies 10 per cent. surcharged upon their cost in the invoices, an adjustment is made, and the apparent loss is converted into an alledged profit of £454,524.

These official accounts, however, are liable to the same objections as before noticed on the "Extraordinary Funds" of the Indian treasuries. I shall not repeat these objections here, as applying to each item; but proceed to give a view of this account, taken from the different statements in the Appendix, on the same principle as adopted in respect to the "Extraordinary Funds," by stating the *whole* amount of the Supplies, and at their actual not assumed Cost. We shall hence perceive that there is also an unfavourable balance in respect to the CANTON TREASURY; in other words, that, in the employment of these Funds, a heavy loss has been sustained.

The first article of supply is that from India to Canton. In the Third Report, page 10, this net amount is stated at £3,313,654. There is an adjusted account in the Appendix to the Fourth Report*, by which it appears that treasure, in transitu to Canton, was detained in India, and therefore debited to Bengal, although credited in the Canton books, the net amount is therefore stated at£2,877,161

Supplies from England, viz.

Bullion, including what being stopped
in transitu, is debited to Bengal... £2,846,051
Bills on the Court of Directors, amount
actually paid in sterling money †... 8,565,312

£11,411,863

* Fourth Report, page 6, Appendix 4 and 5.

† Ditto..... Appendix, 10.



Brought forward....	£.11,411,863	£.2,877,161
Cargoes including stores, being the amount consigned from England...	16,136,190	
Freight and sundries.....	37,113	
	27,585,166	
Deduct for short deliveries of cargoes, recovered in England, from ship owners.....	72,384	
		27,512,782
Total Supply *.....	£.30,389,943	

The official vouchers before noticed, give a less amount than this for the net supply to the Canton treasury; first by stating the bills at a lower rate of exchange than the amount *actually paid* on them; and secondly, the goods and stores at the net amount received in Canton, instead of the *amount paid for, and supplied by, the Company from England.*

Of the disposal or application of the Funds, the following will be found to be an accurate statement from the same official vouchers:

Consignments † from Canton to England.....	£.27,153,875	
Other debits on Canton books for sundries.....	429,179	
Net amount of supplies to St. Helena.....	81,697	
	27,664,751	
Add net increase of stock †.....	618,700	
Total.....	£.28,283,451	

The difference between this sum, and the amount of Funds supplied, is £.2,106,492; which therefore constitutes the apparent loss on the employment of these Funds in China.

The avowed losses in the accounts before us, and which may therefore be said to confirm the preceding balance or deficit, are as follows:

* Appendix to Third Report, No. 5, and pages 6 and 7 of Fourth Report.

† Appendix, No. 9, and page 7 of Fourth Report.

‡ Fourth Report, page 8; and Appendices 15 and 16.



Loss* by capture and shipwreck of goods outward...	£116,367
Ditto, losses and charges, as per account, in Appendix No. 14.....	995,243
Difference† between the assumed and real rates of exchange on bills drawn at Canton.....	996,434
Total.....	<u>£ 2,108,044</u>

It may be added, that the Company are known to have had, for many years back, a large outstanding balance with the HONG, at one time, upwards of a million sterling, bearing no interest; and even the principal is deemed, by the best informed India merchants, who have long had commercial transactions with the Hong, to be in great jeopardy.

The † system of this trade was changed in 1810; previous to which year it was a trade of mere barter; the woollens and metals, &c. from England, being delivered to the Chinese merchants, who returned teas, silk, and nankeen. The goods on both sides were entered to account, it appears, at fictitious prices, higher than the real market value. The object of this contrivance was merely to raise nominally the selling prices of the Company's exports, so as to make the loss in this branch of their trade appear less than it really was. Though it may be said of these nominal prices, that they would not affect the *ultimate* balance on this trade if invoiced at a lower rate; yet as far as regards the question before us, the supply of funds to the Canton treasury, and the employment of these funds in the purchase of tea, silk, and nankeen, it is obvious that a much greater loss than the one above stated, would have appeared, if the goods had been priced at their market value; for, if reference be had to the statement of funds supplied to this Treasury, it will be seen that their actual amount in sterling money—the amount paid by the Company in hard cash, is given; whereas the barter amount of the returns to England is stated on the other side; which, being higher than the real value, makes the balance, or loss, less than its true amount.

The rates of the barter system must also have materially affected the profit and loss account (Appendix, No. 14); because, as this loss is calculated on a comparison of the invoice with the

* Fourth Report, page 7. † Fourth Report, page 6, and Appendix 10.

† Appendix, No. 2. Fourth Report.



enhanced or nominal sale price of the goods, it is clear that a sale at actual and lower prices would shew a considerably greater amount of loss on the China books; this also shows the difficulty of stating the balance or actual loss on these accounts, as they are now given, to its proper and full extent.

Hitherto, then, it seems to have been designed to exhibit as little loss as possible on the Company's export of British staples; but in 1810 the principle was altered. The Company forbid the barter system entirely; ordering the sale of their exports to be for real prices, and to be brought to account accordingly; that the actual profit or loss thereon might be clearly seen. The contrary mode of proceeding (they add) "goes to give the merchant a selling price upon tea, which the state of the China market does not warrant, and deprives us of the credit which would result from a general view of our commerce*, viz. that of being enabled to shew with precision *the extent of the pecuniary sacrifices to which we submit, in order to extend the consumption of British staples.*"

These are the boasted principles on which this losing trade has been carried on for a series of years, to the average annual amount of nearly a million sterling; and a voluminous collection of papers is added in the Appendix to prove that the China market has been constantly overstocked, to the great injury and inconvenience of both buyers and sellers†; the former of whom repeatedly remonstrated, though in vain, against the superabundant supplies with which they were thus loaded. Another voucher is added in the Appendix‡, to shew how profusely the Company have, throughout this period, exceeded in their supplies even the amount of *their own supercargoes' indents*, or orders for goods; which indents are always founded on a local estimate of the known or probable demand of the country. For woollens, it is true, there was always a considerable demand; but this is no good reason why it should constantly be supplied in excess. Of lead and tin many thousand tons were supplied, when none was demanded; and though the supply of tin did not in some few years equal the demand, the Court of Directors explain in a note, that it was not their fault, but that of the Cornish miners, who, it seems, not having the same patriotic mania, were interested enough to sell their tin to those buyers who gave them the highest

* Appendix, No. 2, Fourth Report.
and 13, Fourth Report.

† Appendix, No. 12

‡ Appendix, No. 11.



prices; and thus, for a season or two, checked the ordinary profusion of the supplies to China.

The consequence of all this has been, that the Company has sustained great loss in the trade; besides a large outstanding balance, left in the hands of the Hong, for many years already, without interest, and with great doubts as to the recovery of the principal.

From the heedless manner in which the affairs of a joint stock Company are generally carried on, this, and more, on the part of its Directors, might not excite surprise; but it is not so easy to concur in the conclusion of some of them, who pronounce a losing trade, to the amount of near a million annually, to be a national benefit; or that forcing and overstocking a market for a series of 17 years, in spite of remonstrance from the buyers, and in constant excess of the demand of their own local agents, to be any proof of mercantile judgment or real patriotism.

It has been argued in defence of the Company's conduct in this matter, that the Hong have an interest in limiting the supplies of British staples, in order that they may sell smaller quantities at higher prices; and that the Company have successfully opposed this interested feeling, by pressing on the Hong more and more of the commodities in question. But this argument does not apply to the *supercargoes' indents* and correspondence, whose interests lie on the same side with the Company's. Yet the Company's exports have constantly exceeded the demands of the *supercargoes* themselves; and exceeded it in spite of their representations as to this branch of trade being, from superabundant supplies, in a state of "*extreme depression*."

SECTION V.

THE Island of St. Helena having been originally granted as a port of refreshment for ships engaged in the India and China trade, on their homeward voyage, and constantly used as such, the net expense to the Company of maintaining it must be considered a commercial charge, and ought to be brought to account accordingly. The net charge to the Company during the period in question, as appears by the accounts produced, has been £1,283,945, of which £106,303 are stated to be the increase



of stock between 1792 and 1809, and £62,589 of "Dead Stock". With these deductions the net loss by St. Helena is £1,114,553.

Some conceive, that the charge of St. Helena should be divided, and one half debited to the Political head, *i. e.* the revenues of India, and one half to the Commercial; but I do not see the propriety of this division, nor comprehend the principle on which it is founded.

It should always be remembered, that the East India Company's monopoly is liable to many expenses which would not be incurred in the trade of an individual; but the extravagant expenditure inseparable from such an institution, whatever claims it may have on the gratitude of those who benefit by it, cannot alter the funds whence it is to be discharged, or the responsibility of the corporation for having incurred it. The charge of St. Helena is of this description.

The island is the proprietary possession of the mercantile corporation of Leadenhall Street. It was granted to them for the purpose, and has ever since been used for the convenience of their trade. It has no connection whatever with the revenues of India, and the charge, however costly and anomalous, attaches as much, in my opinion, to the Company's monopoly, as the charge of their counting-house or of one of their ships.

SECTION VI.

HAVING thus given a view of the official accounts relating to the several treasuries abroad, not Political, we shall next proceed to examine the accounts of the Treasury in England, and the general result, as affecting the interests of the Proprietors of India stock, and those of the public.

Of the cash accounts, annually presented to parliament, Appendix, No. 22, of the Fourth Report, is a compressed general statement; whence a view is at once, and very conveniently, given of the whole of the cash transactions of the Treasury in England, from March 1793 to March 1811.

* Fourth Report, page 8, 9; Appendix 19, 20.

The general result of this statement (*vide* Letter C annexed) is, that, after deducting on both sides all that has been received, and repaid, on account of loans, as well as the duty on tea collected by the Company and paid to Government, the actual disbursements have exceeded the receipts, in this period, in the sum of £4,249,596; but this is only the excess, after adjusting the account as above mentioned. The gross receipts, however, exceed the gross disbursements in the sum of £391,865. This amount, added to the former sum, gives £4,641,461; which ought, therefore, to be the amount borrowed by the Company during this period, as shewn in this branch of the statement; and it will accordingly be found, on examining the account, that this sum of £4,641,461 is the precise balance of the receipts on capital stock, loan, duty on tea, &c. on the one hand, and the payments on the same account on the other. At the bottom of this statement is the account of receipts and disbursements on account of "Private trade." The receipts here, too, exceed the payments by £262,302; and this is explained to be a debt still due by the Company to the Proprietors. Added to the above-mentioned balance, it gives £4,903,763 for the total net amount borrowed by the Company, or reserved from monies passing through their hands; and if we deduct from this last sum the balance of cash in hand, on the 1st March 1810, being £654,167, we have exactly the same net deficit, as before given, of £4,249,596.

These adjustments, it will be observed, include the balances of cash in the Treasury at the commencement and close of the period, but if these are also omitted, the actual deficit, as shewn in an explanatory note annexed to the statement, is £4,976,422.

In page 27 of the Fourth Report, the Select Committee admit the same net amount borrowed, and the same ultimate deficit, as above, though somewhat differently explained.

The most important item of this account is the amount received from year to year on the sale of goods. The aggregate receipts, under this head, are £103,353,633*; but this includes a balance due on sales previous to March 1798; whence, by another adjusted account, it appears that the actual amount of sales, within the period under consideration, was £102,737,954†.

* Fourth Report, page 20.

† Appendix, No. 25 and 51.



CSL

This is obviously a prominent object of enquiry and consideration. The official accountants hence deduce a profit on the trade of the Company of 21 millions sterling, afterwards reduced to 14 millions, as per Appendices 25 and 51, which, however, are mere ESTIMATES; but as they contain the principles on which views of the Company's trade are generally given to the Public, including the Estimate lately submitted to both Houses of Parliament by the Accountant General of the East India Company, an abstract of them, taken from the Select Committee's Fourth Report, is here subjoined.



ABSTRACT of Appendix, No. 25, Fourth Report of the Select Committee.

CSL

	INDIA.	CHINA.	TOTAL.
	£.	£.	£.
" Invoice amount or prime cost of the goods sold by the East India Company, from 1703-4 to 1809-10 inclusive.....	23,060,334	27,157,066	50,217,400
" Customs paid from Company's treasury on those goods.....	5,553,954	265,524	5,819,478
" Freight <i>estimated</i> to have been paid on them.....	8,724,258	10,886,017	19,610,275
" Charges <i>estimated</i> to have been incurred in England, computed " at 5 per cent. on the gross sale amount.....	2,240,594	2,894,815	5,135,409
" Total cost and charges.....	39,579,140	41,203,422	80,782,562
" The gross amount of the sales is shewn to have been.....	44,841,680	57,896,274	102,737,954
" From which deducting the cost and charges, a profit is exhibited " in the sum of.....	5,262,540	16,692,852	21,955,392"

APPENDIX III.

APPENDIX III.

It must strike every reader as an extraordinary circumstance, that the *principal charges* here are *estimated*. An expense incurred and paid cannot be mistaken, nor its amount be doubtful, and it is not unfair to the Court of Directors to say, that an estimate of such expenses is a just ground of suspicion. Nobody entertains more respect for the Honourable Court individually than I do, but because their respectability is great, it would be idle to fancy it amounted to more than human purity and disinterestedness; and what, let me ask, would be thought of estimated accounts, exhibited by a private merchant, in a perilous state of his affairs?

Because the Court of Directors are in the habit of submitting Estimates of this description to Parliament, from an apparent aversion to expose the real state of their commerce, it is no sufficient reason for following the example; neither is the precedent of sufficient weight to guide us in enquiries of this magnitude and importance, wherein the disclosure of truth, without even palliating its most unpleasant appearances, ought to be paramount to every other consideration.

But the circumstance alone of recurring to doubtful and obscure estimates leaves room to suspect, that an important truth is thus required to be concealed. If the gain of the Company were certain, it might be exhibited in a plain and simple statement, which the most hostile scrutiny would be unable to refute.

If all the items in this account were accurately estimated, it would still be liable to one obvious objection as a mercantile statement, that it contains no charge on account of interest on the capital, with which the trade is carried on, nor insurance.

Considered as exhibiting a general result, it is liable to another objection, from being confined to the import trade of the Company, and excluding the export, which is equally interesting in a national point of view.

The items in this account are also separately liable to remark.

The invoice amount of Indian goods sold is £.23,060,334. The invoice amount of goods actually consigned from India is £.25,407,099*; the difference, after deducting the amount lost † on the voyage home, is £.1,319,556. The amount of China goods sold exceeds the amount consigned, owing probably to a purchase of teas on the Continent being added. But the invoice

* Third Report, Appendix, No. 3, 4.

† Ditto 47.



- cost of the whole is admitted by the Select Committee to be reduced below the actual cost by all the difference between the nominal and real rates of the Bills of Exchange, drawn for part payment of those goods*. This difference on the China bills, which are allowed to be wholly commercial, is £.996,434; and on the Indian bills, where there is a conceived difficulty of distinguishing commercial from political bills, is stated in the Fourth Report at £.520,799, though the actual amount in page 9 of the Third Report is admitted to be £.743,637.

With deference to the Select Committee, I would beg leave to submit whether this difficulty, in respect to the Indian bills, may not be removed by attention to the account of supplies to, and returns from, India.

It may be laid down as an axiom, in respect to these bills, that *if the Supplies, including Bills, greatly exceed the Returns, then the Surplus Bills may be considered political ones; but, if the Supplies only equal, or fall short of the Returns, the bills must be considered wholly commercial.*

Contrasting, therefore, according to this principle, the amount realized into the Indian treasuries from English supplies, with the more immediate returns to England, to say nothing of other commercial items in the same account, we have the following result:

* Fourth Report, p. 13.



* SUPPLIES.

Goods and stores, £1,2247,296; of which there was only realized into the Indian Treasury during this period the sum of.....	£. 8,904,068
Bullion.....	7,360,752
Bills of Exchange, i. e. the account received in the Indian Treasuries, and including those drawn in discharge of Indian debt.....	14,746,038
Total Supplies.....	<u>£.31,610,858</u>

* RETURNS.

By advances for Investments.....	£. 26,038,266
Commercial charges not included, but which ought to have been included, in Invoices.....	2,916,279
Net amount Supplies to Canton.....	3,313,654
Advances on account of freight, demorage, &c.....	1,128,780
Direct Returns.....	<u>£.33,509,340</u>
Supplies as above.....	31,610,858
Excess of Returns.....	<u>£.1,898,491</u>

* Third Report, Appendix, No. 3, 4, and 26.



The difference between these sums being in favour of the returns to England, leaves no difficulty in determining the Indian bills equally with the China bills, to be wholly commercial.

The Indian investments are provided, in the first instance, by advances from the Revenue or political treasuries to the commercial agents, and the money raised in India on bills, with the amount sale of goods and stores only replaces a corresponding portion of Revenue previously applied to commercial uses; but these resources from bills, goods, and stores, having been always insufficient to replace the amount of such advances from the Revenue treasuries, loans are then resorted to, as the only means of supplying the deficiency. It is true the amount raised by loan, as well as that raised on bills of exchange, goes immediately into the Revenue or political treasuries, but it is there received in discharge of a debt contracted by the commercial with the political concern, by the advances made, as above described, for procuring investments. *It is thus the Indian debt has been increased*, and thus the investments have added to the Indian debt; and when the sum of bills drawn in discharge of Indian debt does not exceed the amount so borrowed to replace the advances from the Revenue or political treasuries, they are strictly and wholly chargeable to the commercial concern.

The invoice cost of the goods in this "*estimate*" does not include the commercial charges of India, stated at £2,916,279. This ought certainly to be added to that cost, and of course to diminish *pro tanto* the amount of assumed profit. It is moreover limited to the amount of goods *sold*, whilst in general accounts of this kind, the *whole* of the Consignments or Returns ought properly to be included, since it is the *whole* that requires to be accounted for.

The Customs are stated at £5,819,478, but do not include a farther sum of £537,163, paid by the Company on their trade, partly as is intimated on exports*, and which ought to enter into every general view of their whole trade.

The freight is given at £19,610,275, but this is an arbitrary estimate; for the whole freight paid by the Company, as appears by other statements, and parts of this Report, amounted to £25,035,543 †; and the net balance of the freight account paid in England (after deducting the advances made on this account

* Fourth Report, page 39, Appendix 51.

† Appendix, No. 51.



from the treasuries abroad, and the amount of short deliveries chargeable to ship owners) to £23,645,283.

The Select Committee consequently explain in pages 22 and 23 of their Fourth Report, that the estimated freight, or £19,610,275, is less by.....Paid at home... 2,180,875

And.....Abroad..... 1,390,260

Together £3,577,135

than ought properly to attach to the commercial concern.

The home charges, in this account, are estimated at five per cent. on the gross sale amount. It will appear in the sequel, from accounts contained in the Appendix to the Fourth Report, that the whole home charges greatly exceed this amount; the Select Committee admit, in page 25, a much larger sum of these charges to be "exclusively commercial."

The great question, however, requiring to be decided, is, whether the Company have gained or lost on the whole of their trade, import and export. This is the point which it chiefly concerns the nation to know; and the accounts before us are sufficiently full to establish the *fact* of gain, or loss, with certainty, though not so precisely as could have been wished.

The export trade has always been considered, and even admitted by the Court of Directors to be a losing one. No gain can, on any solid ground, be pretended on this part of the trade; statements, it is true, are sometimes prepared with intent to shew it; but, in these, the gain (if it be not a misnomer) is calculated on the invoice price contrasted with the sale price of goods, without any description of charge, and without any deduction for the losses sustained abroad.

We have already shewn, in page 170, a loss on the supplies to the Indian treasuries of £3,608,824. It may be objected, that this is the balance of an account, including political as well as commercial items; yet from the explanations given in the sequel, we shall perhaps be satisfied that the loss is wholly owing to the commerce. It will still further appear to be a moderate computation, if we only compare it with the commercial losses appertaining to India, which the accounts before us actually admit, as well as with others which may be collected from equally authentic sources.

The loss admitted by Mr. Grant, in Appendix No. 12, to the bullion report of about 20 per cent. on the bullion exported by



the Company, would naturally enter into a precise mercantile statement, but is wholly omitted in the Company's estimates. A fair statement of the goods exported to Bombay alone, taken from the Company's books, exhibits, as we have already seen, in Part II. of this work, page 10, and Appendix IV. there referred to, a loss of upwards of one million sterling; whilst of the *stores* the following extract of a letter from the Court of Directors to the Government General, dated 13th of May 1807, may suffice.—“The sales of marine stores, as at present conducted, appear to us to require reform. We observe these are made at certain fixed periods; and from the latest accounts before us, we are concerned to find that a *considerable loss has accrued on the invoice price of stores.*” Another statement can also be exhibited, if necessary, to prove that the loss sustained at one of the presidencies only, in supplying China with furs, has been very great.

We may therefore safely state the aggregate loss, for the three presidencies, as above, (page 170) at £3,608,824. In like manner the loss on the supplies from England and India to the China Treasury should be next stated, and this amounts, as shewn in page 185, to £2,106,492. These supplies are admitted to be wholly commercial*.

Great losses thus incurred on the concern abroad ought to be noticed in every general view of the Company's trade—they are, however, entirely omitted by the official accountants; and, still more extraordinary to relate, in the *estimates* they present to the public, credit is taken for a profit (calculated as per page 197) on the goods *sold* in India and China, without any notice or reference to these heavy losses on the *whole* concern.

We have consequently from the official accountants no other view of the Company's export trade, than in detached notices and arbitrary assumptions, which would not be for a moment tolerated in examining the affairs of a private merchant. The zeal and perseverance of the Select Committee have, however, brought together, a mass of official vouchers, from which an account may be framed of the Company's whole trade, export and import, not liable to the objections which justly attach to mere estimates. Such a statement I propose to submit, after enumerating all the charges and losses it ought to bear. Some of these require re-

* See Fourth Report, page 13.



mark. The sum of each charge, which I introduce, is fully supported by the Select Committee—the only point in which I presume to differ from this high authority is in respect to the account, No. 51, admitted into their Appendix, and in which some of these charges are carried to a head termed “Doubtful.”

The losses and charges on the trade are as follows :

Loss by supply of salt-petre to Government, estimated in the Report * at.....	£.436,689
Profit on spices paid to Government†, and therefore deducted by the Committee from the Company's profit on their trade.....	£.423,395
Customs ‡	£.5,819,478

To which should be added as per Fourth

Report, page 39, and Appendix 51,

customs on exports 537,168

————— 6,356,646

§ The freight charged on this trade in the preceding estimate is 19 millions, as before stated; but the freight actually paid by the Company, and which ought to be accounted for, is £.25,035,543.

This sum, the Select Committee observe, includes the advances made on this head in India and China, and also the debits to ship owners for short delivery of goods.

It also includes expenses borne by the Company on account of extra ships, over and above the freight charged by them to private traders; which the Select Committee justly admit to be a proper charge on the Company's trade. It is the more obviously so, when we consider not only that it is a charge peculiarly incident to the system which the Company have so strenuously laboured to uphold; but that they have taken and received credit, for the profits and advantages, which the same private trade has yielded to themselves, to the amount of near $2\frac{1}{2}$ millions.

The Select Committee allow a deduction to be made from this sum of £.1,854,133, for “political and military freight.”

* Fourth Report, p. 17, and Appendix 30 and 51.

† Ditto, Appendix, 51.

‡ Ditto, Appendix 21, and Appendix 51.

§ Ditto, 22, 23; and Appendix 51.



In as far as this charge has been incurred for military or political services performed on account of His Majesty's Government, it is included in the claims on Government by the Company, which have been admitted and paid in England, to the amount of £8,212,372. To this extent, therefore, it may be considered as an opportune receipt or supply to the home treasury.

But in as far as this political freight is explained to include demurrage occasioned by detention, whether for dispatches or convoy, the proposed deduction is decidedly inadmissible: and this it is known was the opinion of the late much-respected Chairman of the Select Committee, Sir John Anstruther. All trade is liable to such detention, and the consequent charge of demurrage during a war: even the coasting trade of Great Britain.

To load the political head not only with its own appropriate charges, but with many doubtful items on this occasion, as on many others, is unreasonable. The constitution of the East India Company is a mixture of commerce and politics, in which the one is rendered subservient to the other for mutual advantage and support, and it must never be forgotten, that commerce was the first object of the incorporation of the Company. Extraordinary charges attach to the united system as much as ordinary charges do to ordinary commerce; and what the Company's trade thus brings on itself, as the unavoidable consequence of this heterogeneous union, it must bear, at least until a fair debtor and creditor account be exhibited between the two concerns.

As the case now stands, the political head is debited with even more than its fair proportion of charges, and has no credit for its supplies and constant aid to the commerce. The political, for example, furnishes the commercial concern with advances in India for the purchase of Investments, as already shewn, page 196, at an enormous charge of interest, and both principal and interest are improperly considered to belong to the political head. Its power and influence are constantly exerted, and sometimes in most oppressive acts, to force from its subjects goods for the home investment, at a lower rate than the sellers could procure in the market. It receives no customs in India from the Company's trade; and with these aids and sacrifices to the commerce, is it fair thus to surcharge it, or to draw out statements to shew the political debtor to the commercial concern, where these aids and positive pecuniary sacrifices are wholly omitted?

That we may not however be accused of arbitrary deviations



from the authority of the Select Committee, the sum of political and military freight will be taken as they have admitted it, although it is thought to be a larger deduction, than ought strictly to be allowed.

Having stated above the loss sustained by the Company on the supply of salt-petre to Government, it will be proper here to deduct the portion of freight carried into that account from which the loss is deduced. This is stated to be £1,086,040, so that the net freight to be here charged on the goods will be..... * £ 22,095,366

The next item of deduction is the home charges, called in the Report and Statements annexed "Charges General."—There are two vouchers in the Appendix of the Fourth Report †; the one to shew the amount of these charges for the period under review; and the other to shew the particular items of which they are composed, in the year 1809-10. The former account is divided into political and commercial charges, &c.; but this is another estimate on which the Select Committee observe, "*they do not pledge themselves to the perfect accuracy of the distinctions adopted in it*." The sum total of charges general is £11,602,500 ‡. From which a deduction is made for

political charges of.....	£ 3,178,212	
And for articles for which value remains.....	1,513,341	
		<u>£ 4,691,553</u>

Leaving therefore for charges which the Select Committee admit to be "exclusively commercial"..... § 6,910,947

From this should be deducted, contained in the salt-petre account..... 96,576

Leaving therefore, as the sum to be charged on the goods..... £ 6,814,371

* Total freight	25,055,548	
Mil. freight.....	1,854,138	
Salt-petre.....	1,086,049	
		<u>2,940,182</u>
		<u>22,095,366</u>

† Fourth Report, Appendix 28, 39.

‡ Pages 24, 25, and Appendix 22.

§ This is one view of the Charges General, taken from page 25, and Appendix 22. According to another, Appendix 28, the "Charges, exclusively commercial," are about £10,000 less. I have taken the former, as appearing to me the most accurate; but the difference is of little importance.



Of the "Charges General," it may be remarked, that the whole is required by law to be discharged, previous to any appropriation of the proceeds of the trade towards the payment of dividends. The remarks made, when treating of the political freight, are also applicable to this item. In the sum of £3,178,212, separated as the amount of political charges, are included some doubtful, but some decidedly not appertaining to this head. The expense of the East India volunteer regiments in London is contained in the preceding sum †; but on what just grounds these charges are debited to the political head of India may not be so easily explained ‡. Such charges as these are, as I have before observed, incident to the Company's monopoly; and if the profits are not equal to meet these its natural peculiarities, it may be deemed still less entitled to that support, with which it has been favoured at the expense of individual rights, and of the public good. The cost of these regiments is no where specified; we must therefore in this, as in other articles, adopt the division received also by the Select Committee.

There are three other items of charge in the official accounts before us, which require no particular remark, except what is offered in regard to the last in page 167. They are as follows:

To captains of ships worn out.....	£.355,190	
Balance of payments to Poplar.....	29,620	
Losses by advances to Ceylon and the Eastern islands.....	437,774	
		822,584

With these we find the following carried to a head called "*doubtful*," which is perhaps new in accounts, the first principle of which should be certainty and precision. It appears, indeed, to be a head created for the express purpose of receiving these items:

† Third Report, Appendix 46.

‡ The Accountant General of the East India Company, in his examination before a Select Committee of the House of Commons, gives as a reason for deeming this a political charge, that the volunteers were embodied to defend the Company's warehouses in London, and that the goods contained in them, are property, which he considers as representing the revenues of India!



Loss on consignments from port to port in India...	£. 873,403
Losses at the several presidencies, not included in political charges.....	461,428
Paid on participation of the public.....	500,000
Seamen raised for Government	47,000
Loss on loyalty loan.....	107,878
Paid owners of rice ships.....	110,595
Supply to Bencoolen and Penang.....	* 2,707,633
Idem to St. Helena (vide page 33).....	1,114,553
	£. 5,922,490

Of all these items, it will be sufficient to remark, that the Company have only two sources for the supply of funds; the one political, and the other commercial. From these two funds all their expenses are and must be defrayed; whence every charge, of whatever description, ought to be carried to one or the other of these heads. To carry charges to a "doubtful head" is really bordering on the ridiculous; for there are no doubtful funds to pay them—what is not political must be borne by the commercial, what is not commercial is political. Commerce is the parent of the whole concern. True it is, in some respects, an anomaly; but it is so constituted by law; and any charges arising out of this anomaly, not strictly political, must necessarily be borne by the trade. The charges and losses, moreover, having been actually sustained and contributed to increase the debt, political or commercial, must therefore appertain to one or the other. To exclude them, from both heads, from the political, because they are clearly not political, and from the commercial, because they would otherwise exhibit a commercial loss, gives an imperfect and erroneous view of the Company's affairs, and conceals what is nevertheless really and substantially felt. What indeed are we to conclude from all this tenderness of the commercial head, this constant necessity of lightening its own appropriate burthens by aids and props at almost every step; whilst the political head, strong in itself, is boldly overcharged with what ought to be borne by the trade?

* This sum is stated in the Reports at £. 2,817,146; but the correct addition of the Supplies is that given in the text, as will be further seen in pages 224 and 227.



One reason for my classing Bencoolen, Penang, and St. Helena under the commercial head, is, because they are factories kept up almost if not entirely for commercial purposes. The Select Committee are so satisfied of this, as to reject the charge of them from the political account; it can therefore fall on no other than the commercial. The following may be quoted as the sentiments of the Court of Directors, in respect to the two former factories:

In their letter *, 31st August 1801, the net loss of Bencoolen in 1797-8 and 1798-9, is stated to have been, "£.87,000 per annum, after making allowance for the profits derived from the purchase of the pepper produce."

"The chief importance (it is added) of Bencoolen to the Company, is in a *commercial view*; and in this view, it is evident we have been very considerable losers, from the small quantity of pepper supplied, and the increasing charges of the establishment in every branch."

Again, in their letter †, 18th April 1805. "As a commercial establishment, Bencoolen has become of *no importance*; the only produce of it, pepper, is a losing concern to the Company, who can be much better supplied with that article from the *growing plantations* of *Prince of Wales's Island*, as well as from the Malabar coast. *It has no value in a political view*; for no other European nation can turn it to much account, or bear the expense which must be incurred in maintaining it."

In page 61 of the Second Report, Penang is also represented to have been established chiefly for commercial purposes. Because "the value of the settlement rose in importance in a *commercial view*," a senior civil servant from Bengal was ordered to be appointed to the government of it in 1800; and in 1805 it was constituted a separate presidency. In respect to the expense of the establishment, the Court of Directors observe, in their letter ‡ 18th April 1805, "but as we entertain a reasonable expectation that the Company will be indemnified for the charges they have already been at, and are further to incur, in supporting an establishment at Prince of Wales's island, *that indemnification must be supplied in a great degree from trade*, which the Company may carry on profitably in pepper and other exports of the island, and imports from Europe."

* Second Report, Appendix 65.

† App. 68.

‡ App. 68.



Other commercial objects in the establishment of Penang were to render it a general depot and emporium between China, India, and the coast of Africa; to supply the Canton treasury with funds, and to dispose annually of 250 chests of Bengal opium, at a fixed advance of 20 per cent. on the medium sales at Calcutta.

After these preliminary explanations and remarks, I shall now submit a more general and comprehensive statement of the Company's trade than that given by the official accountants.



PART III.

CHARGES on the COMMERCIAL CONCERN of the EAST INDIA COMPANY,
from 1791 to 1810 (the Period of the General Account) extracted from the
Vouchers in the Reports of the SELECT COMMITTEE OF THE HOUSE OF
COMMONS.

	£.	£.	£.
Fourth Rep. p. 39, and Appendix 51.	CUSTOMS ON EXPORTS.....	537,168	
	on Exports.....	5,829,730	
	Deduct what is accounted for in the Loss on saltpetre.....	10,252	
		5,819,478	
p. 39. Appendix 51. Do. Do.	FREIGHT.....	25,085,435	5,556,546
	Deduct what is accounted for in Loss on saltpetre.....	1,086,049	
	Military and Political.....	1,854,133	
		2,940,182	
p. 25. Appendix 28 and 51.	Charges General.....	11,602,500	22,095,561
	Deduct Political Charges.....	3,178,212	
	Articles for which value remains..	1,513,341	
	Accounted for in loss on salt- petre.....	96,376	
		4,788,129	
			6,314,371
	CHARGES EXTRAORDINARY.		
	Paid to captains of ships worn out.....	355,190	
	Balance of payments to Poplar.....	29,620	
	Loss by advances on account of Ceylon and the Eastern Islands, not admitted by Government	437,774	
Fourth Rep. Appendix 51	Losses and charges which there appearing to be no reason for carrying to the Political Ac- count, are termed DOUBTFUL, but which are strictly commercial; viz.		
	Loss by Loyalty Loan.....	107,878	
	Loss on Rice ships, exclusive of what appears to have made good by Go- vernment.....	110,595	
	Loss on Seamen raised for Government	47,000	
	Loss on Remittances and Consignments from Port to Port in India.....	873,403	
	Loss at the different Presidencies, not included in Political Charges.....	461,428	
		1,600,304	
			2,422,888
	Net Supply to Bencoolen and Penang.....	2,707,633	
	Idem to St. Helena.....	1,114,553	
			3,822,186
	TOTAL CHARGES.....		41,511,452

PART III.

GENERAL ACCOUNT of the Commercial Concern of the East India Company, Anno 1810, shewing the Amount of **EXPORTS** and **IMPORTS**, including all the Supplies from English Funds to the Treasuries of India and China, from 1791-2 to 1807-8, and the Returns at Prime Cost, from 1792-3 to 1808-9, the Proceeds of all the Sales Abroad and at Home, and the remaining Stocks on Hand in 1809-10; also the Charges on the Whole of the Company's Trade, including the Amount of Supplies to the Establishments of St. Helena, Bencoolen, and Penang.

Extracted from, and agreeing with, the Period assumed, in the Reports of the Select Committee of the House of Commons, to which Reference is made by marginal Figures.

Third Report, No. 3, p. 8, and App. 8. Do. App. 3. Idem 3, p. 8. Do. App. 9.	INDIA.	£.	£.	£.	Third Rep. No. 3, p. 8, and App. 8. Do. App. 3. Idem 3, p. 8. Do. App. 9.	INDIA.	£.	£.	£.
Pages 8 & 9; and the Appendices here referred to.	To goods and stores per Invoice.....	12,247,296				By Sales of Goods and Stores.....	8,904,068		
Fourth Rep. Pages 6 and 27, and the several Appendices there referred to.	To Bullion.....	7,360,752				By Bullion received.....	7,360,752		
Fourth Rep. Appendix, 51.	To Bills of Exchange, amount paid in London.....	15,489,575	35,097,623			By Bills of Exchange negotiated in London.....	14,746,038		
	CHINA.					By net Increase of Stock of Goods in Warehouse, including Stores and Dead Stock.....	2,102,889		
	To net Supply from India by China books.....	2,877,161				By Ditto Ditto from India Funds.....	156,067	33,269,814	
	To Bullion from England.....	2,246,051				CHINA.			
	To Bills of Exchange, amount paid in London.....	8,565,812				By Sales of Goods and Stores in the amount of Returns to England and St. Helena.....	27,664,771		
	To Goods and Stores per Invoices.....	16,136,190				By net Increase of Stock.....	618,700	28,283,471	
	To Freight and sundries.....	37,113	30,462,327		Fourth Rep. Pages 7 and 8, and App. 6, 7, and 9. Do. Do. App. 16.				
	Deduct 10 per cent. which is charged on the Amount of the Goods in the Invoices, the same being allowed on the Stock.....	2,597,125	65,559,950			<i>Proceeds of Exports and Supplies to India and China</i> £.			61,553,225
	Also, Amount of short Deliveries of Goods and Stores in India and China, recovered from the Ship Owners and Captains in England.....	499,621	3,096,746			LONDON.			
	<i>Total Exports and Supplies to India and China</i> cost		62,463,204			By gross amount of Sales.....	102,737,954		
Third Rep. Appendix 4. Fourth Rep. Page 7, and App. referred to.	LONDON.				Fourth Rep. App. 22. Do. App. 51. Do. 30 & 51.	Deduct Returns to Buyers of Tea.....	354		
Third Rep. Appendix 25. Fourth Rep. Appendix 29.	To Goods from India, per Invoice.....	25,407,099				Profit on Spices paid to Government.....	423,395		
	To Ditto from China, per Ditto.....	27,153,875				Loss on Saltpetre supplied to Do.....	436,689	860,448	
	To Commercial Charges not in the Invoices.....	2,916,279							
	To Teas purchased on the Continent.....	489,266				By net Increase of Goods on hand at the Invoice Cost, and the addition of Customs, Freight, and Charges.....		101,877,506	
	<i>Total Imports to London</i>		55,966,519		App. 50.	<i>Proceeds of Returns to London</i>		991,000	
	<i>Total cost</i>		118,429,723						102,868,506
	Charges on Exports and Imports; viz.				App. 22 & 51. Idem.	<i>Total Proceeds</i>			164,421,791
	Customs per annexed Account.....	6,356,666				By Profit on Privilege and Private Trade.....	2,440,937		
	Freight.....	22,095,361				By Interest on Annuities.....	629,225		
	Charges General.....	6,314,371							3,070,162
	Extraordinary.....	2,422,888							
	Net Supplies to St. Helena, Bencoolen, and Penang.....		37,689,266						
			3,822,186	41,511,452					
	To Interest on Bonds.....		1,812,734						
	On Annuities.....		62,705	1,875,439					
	<i>Total Amount of Exports, Supplies, Imports, and Charges</i>		£. 161,816,614						167,491,953
	To BALANCE.....		5,675,339			By BALANCE of the COMMERCIAL CONCERN, being the Amount in which the Returns exceed the Supplies from European Funds.....		£. 5,675,339	
			£. 167,491,953						



PART III.

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The balance of this General Account of the Commercial Concern being £5,675,339 on the credit side, appears at first sight to be so much profit, and had the Returns been made from the use of European Funds only, would have been so much realized and justly applicable towards payment of the dividends, which amount to..... £10,636,845 actually paid to the proprietors of India stock.

To which add, two payments of £250,000, as participation to government..... 500,000

£11,136,845

These payments exceed the balance above stated of.....

5,675,339

in the sum of..... £5,461,506

Which is thus the amount of deficiency on this account of the Commercial Concern; but it is not all. The account does not contain any charge for the advances made from the revenues of India in aid of the trade, nor the consequent loans made for the purpose of replacing those advances, nor any part of the interest actually paid on the same; but we will take leave of this account for the present with observing, that there is no other way of obtaining more accurate knowledge of the balance than by adverting to the alarming deficiency on the whole concern noticed in pages 160 and 161: the reader must never lose sight of the true meaning of what is termed "The Unfavourable Variation," which, in page 163, has been shewn to be not less than £13,233,545.

SECTION VII.

THE act of parliament for the renewal of the charter in 1793 requires that, after providing for the payment of Bills of Exchange accepted by the Company, and for the current payment of other debts, interests, and other outgoings, and expenses of the said Company, (their Bond Debts always excepted) the remainder of the Proceeds should be applied, in each year, as follows:

- First. To pay a dividend of 10 per cent. on the capital stock of the said Company.
- Secondly. £.500,000 per annum for the reduction of the Company's debt in India to £.2,000,000 sterling.
- Thirdly. A sum of £.500,000 per annum into his Majesty's Exchequer.
- Fourthly. In further reduction of the Company's debts in India, and at home.
- Fifthly. In augmentation of the Company's dividend.
- Sixthly. In providing a Sum of £.12,000,000, as a Guarantee Fund for the Company's capital stock; and,
- Seventhly. In payment of whatever surplus there might be, after the disbursements above-mentioned, into his Majesty's Exchequer, to be placed to the account of the Consolidated Fund, as the property of the Public in full right.

These were the expectations of the act. To shew how far they have been realised, the Court of Directors have laid before parliament a statement, which is contained in Appendix to the Fourth Report, No. 48, exhibiting all the cash receipts and payments of the Company, exclusive of loans, from 1793-4 to 1810-11. This account is principally extracted from the cash statement, No. 22, which we have already examined. It ought indeed to be precisely the same, with the exception of the loan receipts and payments, and of its being continued a year later. Both these statements are subjoined; the former, as before noted under letter C, the one now treated of under letter D. Being official cash statements, they are both of great importance; and

the reader is, therefore, requested to compare them attentively with the present observations.

This statement D is intended to shew, that the receipts have exceeded the payments, leaving a surplus, after paying the dividends, of £2,475,736; but to effect this the balance is struck without including among the payments, the amount of "Bills of Exchange for Indian debt," or £8,507,651; to which a separate consideration is given as coming under the "Second Head" of Appropriation directed by the act.

It has been already explained, page 196, that the investments in India, which furnish the funds of the home treasury, are provided, in the first instance, by advances from the Revenue, and also how loans are resorted to in order to replace those advances. In the Remarks on the supplies to the Indian and China treasuries, Sections I. and IV. and pages 194 to 196, we have likewise seen that *a sum equal to all the bills drawn on the Court of Directors, whether for Indian debt, or otherwise, was required to make up the aggregate funds necessary for the provision of the investments during the period.* This must have been the Select Committee's own view of the case in their Third Report, Appendix 26; for there they insert the sum of *all* the bills drawn on the Court, as an item of those supplies to the Indian treasuries, from which the investments were afterwards furnished; and adduce the following reasons for doing so. "From these accounts it is to be deduced; that when a surplus revenue existed in India, it was, in conformity with the principles laid down in the act of 1793, applied to advances for the purchase of investment, or for the supply of the Canton treasury; and when combined with the funds available in India from supplies from Europe, it was found insufficient for these purposes, the difference was furnished by monies raised on loan in India. In whatever amount therefore the capital of the Company in England was not sufficient for carrying on the trade, and for the conduct of the concern generally, the deficiency was supplied by monies raised in India *." Again, "The next supply to the Indian treasuries is the amount received for Bills of Exchange upon the Court of Directors, which forms a very prominent feature in the account. A considerable part of it was drawn for the liquidation of Indian debt. It

* Third Report, page 5.

“is superfluous, in this part of the Report, to enter upon a detailed explanation of the principles and terms upon which the bills were drawn; it is sufficient to say, that the amount of them, *though ostensibly an exchange of a public security in India, for a Bill of Exchange on England, is in reality to be considered as a cash supply during these years; inasmuch as the debt in India would have exhibited an increase in the amount, so transferred, if the transaction had not taken place*.*”

This view of the subject is confirmed by the records and highest authorities in India, from which it may be sufficient here to select the following extract, from a pamphlet, published in May, 1812, by Mr. Myers, formerly Accountant General, and, in virtue of that office, principal Financial Minister, to the Supreme Government; than whom better authority cannot be desired on all points connected with his high official duties. Speaking of a Minute of the Governor General, dated June, 1798, on the existing pecuniary relations between India and England, Mr. Myers observes, “It is there distinctly stated, that the annual demands for the purpose of investment, upon a scale so far exceeding the annual means of the three Presidencies, is the principal cause of the present deficiency, and that the embarrassment of our Finances must be progressive, if some means be not devised for aiding the resources of this Presidency.” It is then recommended to the Court of Directors to “take the earliest occasion of sending out supplies to India, &c. in addition to their usual consignments by an increase of their annual exports of British manufactures and produce, &c. and by an annual supply of silver bullion,” &c. &c.

“The immediate adoption (continues Mr. Myers) of these suggestions of the Governor General, would have prevented in a great degree *the inordinate accumulation of Indian debt, and consequently of the annual charge for the interest of that debt.* It appears, however, that the requisite supplies were not furnished from England, and that the Supreme Government was left in a great measure to struggle, as well as it could, with its growing financial embarrassments,” &c.

It should also be remembered, that it is only *surplus* revenue which can legally be applied to the provision of investment. When there is no surplus, the extra but temporary aids, derived from the revenue, ought properly to fall on the home treasury; and the goods and bullion exported falling short of the supply

* Third Report, page 8.



required, the burthen can only be transferred from India to England, through the medium of bills. Though the bills thus drawn are partly for money raised at the time of their negotiation, and partly to discharge money borrowed to replace the amount, previously advanced from the revenues, for the same purposes of investment, they are all equally chargeable to the trade.

It is shewn in pages 164 and 184, on the supplies to the treasuries abroad, that the amount of all the bills drawn from India and China, and in discharge of debt, was upwards of 24 millions *. In the statement now under consideration, which, as before observed, is continued a year later, the sum total of bills drawn and paid is only 25 millions, and upwards; whence it is very evident, that the separate bills in this account to the amount of eight millions, though nominally to discharge Indian debt, are, in their ultimate analysis, no other than in discharge of that portion of the debt, which was originally incurred for the purpose of the investment; and therefore just as much chargeable to the Commercial Concern as the other bills, or the bullion, or the goods and stores.

In this view, the sum of £8,507,651 ought to be included among the other payments; and, if to these be added the dividends, as in the cash statement Appendix 22, letter C. annexed, instead of a surplus receipt of £2,475,736, there would be an actual deficit of £6,531,915, in the year 1810-11.

In 1809-10, or the year preceding, the deficit similarly exhibited would be £4,867,044; and being now above 1½ million more, a clear proof is here afforded that the affairs of the Company continued in a retrograde course.

The Appropriation directed under the "Second head" by the act of 1793, had clearly in view the discharge of Indian debt raised, or to be raised, for *political* purposes; and certainly never contemplated, in its expected diminution of debt, that which might be incurred to provide Investments from year to year. In as far therefore as the sum of bills on the Court, under whatever denomination they may come home, have not exceeded the amount required to make up funds for the provision of Investment, it appears to me, there has not been discharged one sixpence of that

* India.....	£15,489,575
China.....	8,565,812
	£24,055,387

portion of the Indian debt, which was in the contemplation of the Legislature in enacting the "Second" head of Appropriation; and, consequently, that there have not been, on the whole, any net proceeds free to be applied to this purpose, nor even to that of paying the first head of appropriation or dividends to the proprietors.

The original Statement*, Appendix No. 46, is however drawn out evidently to induce a belief, that two, and part of a third, of the Appropriations directed by the Act, have been made. All the supplies to the home Treasury (loans excepted) are first stated; and then the ordinary payments; leaving a surplus or net proceed of £.13,742,107. Then follow three columns, "Dividends on Stock"—"Bills for Indian debt," and "Government for participation;" all of which are, by law, defrayable from the *net proceeds alone*. The dividends being paid there remains £.2,475,736; but this is obviously not enough to pay the next column, or 8½ million of bills (to say nothing of the payment in the third column into the Exchequer). Whence therefore, it may be asked, have these bills been discharged? It is certain they have not been paid from any *net proceeds* of the trade, and, according to this account, pretended appropriation, directed by the act, under the "Second" head, could only be effected by borrowed money.

These bills being evidently misplaced in this column, if they are classed, as they should be, among the ordinary payments (as well as the sum prematurely paid at the commencement of the period into the Exchequer) there will only be left £.4,734,456 to pay upwards of 11 million of dividends. This is the general result of the Statement before us; and if its five last columns be carefully inspected, it will be seen from this as from the accounts before examined, that there has been, not only a great deficiency

* The reader, who has an opportunity of referring to the Report of the Select Committee, will find the totals of all the columns of Appendix 46, correctly brought into the annexed abstract D; those columns which are there intended to show the supposed appropriations according to the act are, in my abstract, stated in separate lines, under the balance struck by the Accountant General.

It is very remarkable, that the Accountant General of the East India Company, in the balance exhibiting surplus receipts to the amount of £.2,475,736, takes no notice of these two last columns of payments, amounting to £.9,007,651.



on the whole period reviewed, but that the deficiency has been annual; and that without the aid of loans, or of supplies from Government, the dividends could not have been paid in *any one year*. The following Statement proves this fact to demonstration; whilst another fact of great importance in this question should be considered in conjunction with the result about to be exhibited.

It has been argued, that the deficit of the Cash Account, or the necessity for additional loans at home, has been owing to certain Political payments made from the treasury in Leadenhall Street, which are considered to be properly chargeable to the territories in India. A separate account of these payments is given in Appendix, No. 46, to Third Report, and amounts to £.6,193,049 up to 1809-10. But in the Cash Accounts (*vide* 48) it also appears, that the treasury in Leadenhall Street received from his Majesty's Government, in repayment of advances made from the Revenues in India on account of that Government, the sum in hard cash of £.5,810,072. Revenue was therefore thus remitted from India through the medium of his Majesty's Government to cover all* the Political charges paid at home; and the conclusion is hence inevitable, that the deficit of these Cash accounts is occasioned by the Company's commerce.

* I say *all*, because the above sum of £.6,193,049 contains several commercial items. The expense of the East India Volunteers is included in it, which is certainly not properly chargeable to the revenues of India. This and others should be consequently detached from the Political Account, and carried to the commercial head or that of the Company's monopoly, with which adjustment, it is presumed, the remittances from India would at least suffice to pay the whole of the real Political Charges at home.

STATEMENT of the Cash Receipts and Payments of the Company's *Home Treasury*, exclusive of Loans framed from Appendix, No. 48, to the Fourth Report, to shew the actual Deficiency in each Year, between 1793-4 and 1810-11, inclusive, after classing the Bills of Exchange for Indian Debt, and the Payments to Government for Participation, as they should be among the other Disbursements.

The total Deficit in each Year is here separated into Two Columns, 4 and 5, in order to shew the Dividends separately, and the total Inadequacy of the Funds to meet them in any One Year.

Years.	1. Total Receipts.	2. Total Payments in each Year, exclusive of the existing Dividend, but including Bills of Exchange for Indian Debt; Government for Participation; and Balances due on preceding Years.	3. Surplus Receipts.	4. Surplus Payments in each Year, exclusive of the existing Dividend.	5. Dividends on Stock.	6. Total Deficit in each Year, made up of Columns 4 and 5.
	£.	£.	£.	£.	£.	£.
1793-4	4,584,911	4,776,786	...	241,875	565,518	807,393
1794-5	5,491,652	6,255,560	...	763,908	619,648	1,383,551
1795-6	6,380,038	6,890,017	...	509,979	643,797	1,153,686
1796-7	6,614,403	7,521,112	...	906,715	621,485	1,528,200
1797-8	7,726,129	8,848,646	...	1,122,517	629,791	1,752,308
1798-9	8,564,507	8,517,092	47,415	.....	640,892	593,477
1799-1800	7,707,488	8,081,168	...	373,680	624,523	1,008,203
1800-1	7,572,503	7,543,904	28,599	.....	626,521	597,922
1801-2	6,733,234	7,206,886	...	468,152	628,149	1,096,301
1802-3	7,196,124	7,308,645	...	112,521	632,736	745,307
1803-4	7,009,379	7,967,729	...	958,350	626,627	1,584,977
1804-5	5,875,389	8,153,595	...	2,278,206	624,807	2,903,013
1805-6	7,420,165	9,562,245	...	2,142,030	692,327	2,771,407
1806-7	6,671,590	9,157,068	...	2,485,478	627,689	3,113,160
1807-8	5,396,764	9,460,870	...	4,070,106	627,308	4,697,414
1808-9	7,730,887	11,646,490	...	3,915,603	627,006	4,542,609
1809-10	6,445,413	10,681,394	...	4,235,981	631,063	4,867,044
1810-11	6,472,043	12,374,432	...	5,902,389	629,526	6,531,915

In each line of this statement the last column (6), or actual deficit, being a balance due, or debt to be discharged in each year, is added to column (2) in the succeeding year.

In like manner the surplus receipts, column (3), are deducted from the payments in column (2).

The total deficit, column (6), is therefore the sum that required to be supplied by loans. On examining the cash statement, (22), we accordingly find loans resorted to throughout the whole of this period. In 1793-4 and 4-5, upwards of two millions were raised in new stock, and large sums afterwards by loans from the Bank, and on bond, in every successive year.

The deficit of the year 1809-10 in this account, agrees exactly with the balance of the cash account 22; and the deficit of the year 1810-11 also agrees with the balance of the cash account, No. 48, which, with the adjustment of these two authenticated cash accounts, shown in a note on the back of the abstract letter D, proves the correctness of the statement here submitted.

It thus appears that the Company have not had in any one year of the period reviewed any proceeds of their trade for the payment of the dividends; but, on the contrary, a heavy debt to be discharged, exclusive of the dividends, excepting only two years, in one of which they had a surplus of £.47,415 to pay dividends of £.640,892; and in the other, £.28,599 to pay £.626,531.

This is an important truth, *incontrovertibly proved* from the Court of Directors' official cash statements.

So far, therefore, from there having been means of making any of the Appropriations prescribed by the act, it appears that *not one* of the brilliant expectations, held out at the commencement of this period, has been fulfilled at its close; that loss stalks like a spectre through every general account we have to examine; and that this melancholy picture of disappointment is all the Company have to lay before the nation, as the result of their management during the last seventeen years, and the ground of expectation for the next twenty.

The last line of the Statement before us demands particular notice. We have here a view of the receipts and payments for 1810-11, being a year later than the other cash statement annexed to the Fourth Report. Although the sales of this year equal, on an average, the amount of the preceding, yet the surplus receipt is stated to be only £.216 to pay dividends of £.629,526, and bills of Exchange £.1,035,561. It is natural then to enquire how these dividends are to be paid in future.

It seems to be clearly established, in Section VI. that the funds

raised by the Company for the purchase of Investments abroad, the sale of which is the only source of pecuniary supply to the home Treasury, besides Loans, have still failed to supply that Treasury with the means of discharging the current demands on it, including the dividends; and that the heavy charges incident to the Company's management are the cause of this deficiency, whilst the account before us shows that the deficiency is annually increasing.

Much has been said, and written, on the extravagant waste and heedless management of joint stock companies. The accounts now examined prove the total absence of that feeling of private interest, which serves to animate and support the exertions of individuals. A gross profit of 100 per cent on the sale of the Company's imports is unable to cover the charges and losses sustained in bringing these goods to the London market, vide page 206. What might not skill and economy in private merchants have realized, with only one half of that gross profit on the teas, nankeen, silk, and piece-goods, which have chiefly entered into the Company's sales?

That individuals might have prospered with one half of that profit, which leaves the Company overwhelmed with debt, is not the only part of this question that ought to be considered. If the goods thus brought to market are so much dearer than they otherwise would be, consumption, and consequently the trade of the country must be proportionally restricted.

Without a check on the enormous charges of the present system, there is no hope that, under any modification of the Company's trade which has yet been suggested, they will be able to pay their dividends, except by extraneous aid from the Revenues of India, or by loans.

If the Revenues be taken, either directly to provide Investments, or in the shape of advances to the King's Government, to be repaid to the Company at home, there must be a corresponding addition to the Indian debt; since the demands on that revenue, if the interest on Indian debt, with other charges hereafter noticed, be included, are already greater than they are able to meet. Those who expect a continued surplus revenue in India, do not make proper allowance for the present state either of the Company's commercial or political administration. They are unaware, on the one hand, of the impossibility of the commerce being carried on without fresh and continued drains



on the revenue; and on the other, they forget the consequences of extended empire—that fruitful source of everlasting war. In applying the revenues of India, therefore, to the provision of funds for the home Treasury, we shall only be adding to a load already declared to be almost intolerable.

If the aid be by loans, a system of borrowing cannot be of long duration; but must soon come to its natural end, and nothing but the interference of Government can long avert the public disgrace of insolvency.

SECTION VIII.

AFTER taking this general view of the Company's whole trade, there remains to be considered (relatively to the late discussions on the subject) what might be the probable result if the Company relinquished the India, and continued the China, trade, with their present incumbrances and establishments. The view given of the China trade separately in the accounts before us, may be compressed into the following short statement :

Invoice cost of goods <i>brought to sale</i> , between 1793—4	£.
and 1809—10 inclusive (Fourth Report, page 13)...	27,157,066
Add—Cargoes lost on the homeward voyage, including extra freight to the owners of the Warren Hastings*, and which of course should be added to the invoice cost of the remaining goods.....	363,004

Actual invoice cost of goods sold.....£.27,520,070

Add—Freight (Fourth Rep. page 13)...	†10,886,017
Customs (Ditto, ditto).....	265,524
	11,151,541

Total cost.....£.38,671,611

Gross amount sales (Fourth Rep. p. 13.)..... 57,896,274

Gross profit carried forward.....£.19,224,663

* Third Report, Appendix 47; and Fourth Ditto, Appendix 54.

† This is the amount of freight estimated in Appendix 26, Fourth Report; but a reference to page 196 of this work will shew that the estimate is considerably less than the amount actually paid.

Gross profit brought forward.....	£.19,224,663
Deduct here, loss on Export trade and Supplies to China Treasury, page 185.....	£.2,106,492
The account referred to exhibits this amount of loss, in conse- quence of the goods and stores to China being surcharged 10 per cent. But deducting the 10 per cent. from the Exports on the one side, and the Stock in hand on the other, on the principle adopted in account, page 206, this loss would be diminished in the sum of.....	1,582,674
Remains.....	523,818
Net charge of St. Helena.....	1,114,553
Half the net payments to Poplar, and to captains worn out, the other half being supposed to at- tach to the India trade.....	192,405
Half the customs on Exports.....	268,584
Buyers of Tea returned.....	364
	<u>2,099,724</u>
Leaving for profit on the 17 years reviewed...	<u>£.17,124,939</u>
Or per annum.....	1,007,349
With which the Company will have to pay at home charges general as follows:	
Supposing them to be relieved of all that is classed under the head of Political and Military Charges, or £.3,178,212*, and deducting also the amount for which value remains, or £.1,513,341, the remainder, or charges admitted to be "ex- clusively commercial," viz. £.6,901,944, re- duced to an annual sum on the average of 17 years, will be.....	405,996
Interest on bonds (Vide App. 40.).....	248,633
Dividends on stock (Ditto, ditto).....	531,063
	<u>1,285,692</u>
Net deficit per annum.....	<u>£.278,353</u>



This statement is exclusive of any allowance for what would seem to be an usual and heavy expenditure on the India-house, warehouses, &c. Being made up only to March 1810, it is also exclusive of any view to the additional debts the Company may have since contracted. The bond debt was then £4,900,000. On the 18th February 1813, it was increased to £5,441,000.

The future loss may therefore be calculated at near £300,000 per annum, on the continuance of the China trade alone; unless the interposition of Legislative authority should compel the Court of Directors to reduce their charges, and also relieve them of a large portion of their present home debt.

When the necessary discharge of all the preceding demands on the home Treasury is considered; when it is also considered, that the Company have no longer a capital to carry on this trade, and that funds for the purpose can only be supplied by loan, or by remitting to Canton the revenues of India, those who have hitherto advocated the continuance of the China monopoly, on the ground of its great and certain profit, enabling the Company to clear off their present heavy incumbrances, will find little reason to rely on this expectation.

From my own examination of the accounts submitted to Parliament, I think it vain to suppose the Company can carry on this trade either on its present footing, or under any modifications which have been suggested, without increasing burthens which the public ultimately will be obliged to bear. The aid of Government may not be applied for till all other sources have failed; this may be a last resort; but to this it must come. Events will, in the mean time, abound, from which it will require no great ingenuity to select such as may plausibly account for future pressure or disaster; but if the seeds of inevitable decay be now discernible; if this unwieldy concern, whatever course be adopted, can only terminate in loss; and if this loss is at last to fall on the nation, there should be no delay in preparing to meet the event with the least inconvenience to the public finances; and with the least injustice to those who have, in various ways, participated in the system which Government has so long cherished and upheld.

Though the evil be thus evident, and of so great magnitude both in its present existence and future consequences, it must not be forgotten that justice and sound policy forbid its abrupt ter-

mination. All sudden changes in the settled circumstances of society are to be deprecated. From principles natural to man, a considerable quantity of human happiness, employment, and property, consequently of created rights, grows up, and establishes itself under every system of evil; and, in sudden revolutions, the good and the bad are involved in the same downfall. From the abolition of the old, and the creation of fresh rights, in the present instance, much general good may be anticipated, and would probably flow; but should these new rights be set up, on the abrupt subversion of those which actually exist, and which the sanctions of the same authority brought into being? Certainly not. No one can now doubt the general advantages of free trade; but, for the preceding reasons, it would probably be better so to open it, that the old state of things may gradually adjust itself to a new order, without any of those violent shocks which would afford ground for the imputation of precipitancy and injustice.

How much therefore is it to be desired, that the full extent of this evil were at once met by a manly acknowledgment of its existence, and that a series of measures were timely adopted and calmly pursued to its gradual but effectual extinction. It does not require the spirit of prophecy to foretell that the Company's monopoly daily becoming more obnoxious to the public, will not long be able to withstand the general hostility; and if this event be not temperately provided against in due time, it may be apprehended that the injuries of a sudden abolition will be felt in their greatest severity.

SECTION IX.

THE next account I think it necessary to notice, is Appendix 51. of the Fourth Report, which professes to account for the unfavourable "balance of the Company's concerns," or, as it is also termed, the general "balance of their property." The reader is not to suppose that this term "balance of property," means a balance in hand; for it is here used negatively, to signify the very reverse of property, viz. the actual deficiency, or irrecoverable loss to which, in pages 161, 171, and 207, I have endeavoured to call his attention.

The framer of No. 51, states this balance (*so called*) at £.11,020,566; the Select Committee, in their remarks on it, admit



that the balance is not drawn with that precision that might be wished. It is deduced by a comparison of the debts and assets at home and abroad, created within the period, and the balance is struck by deducting, from the net increase of debt, the net increase of available assets, but at their *estimated* value, when, on the same erroneous principle as before adopted in respect to the India debt (Section 2), this balance is vainly attempted to be accounted for.

The value of the "goods in England unsold" is, for example, given in this latter statement, with the estimated amount of profit expected to be realized at their sale. In 1793, it is stated at £4,414,473; and in 1810 at £6,365,000. But the profit in 1810 being estimated much higher than in 1793, in this account the difference is deducted; and in doing this there is an extraordinary error. The computed profit of 1793 is £840,000; and in 1810 it is thus stated—China profit £1,819,000, India *loss* £19,000*, instead of deducting the latter, it is added, as if the whole were profit.

In like manner the "goods sold and not paid for" are stated in the account, with the amount of profit thereon; but that profit not having been realized, the net debt in the mean time can only be diminished for the purposes of this account by the amount of their actual cost. This cost is not, however, exhibited in any of the statements brought forward.

"The cargoes not arrived in India and China," and the "Exports paid for (except bullion)" may possibly be estimated in the same way as the preceding goods: but we have no means of ascertaining it.

The Home debts and assets being adjusted on these principles, as we have already seen the debts and assets abroad were, the whole are here combined, and a net balance of debt deduced from these united results of £11,020,566, as the ultimate "unfavourable variation" on the whole of the Company's concerns, and which Appendix 51 then proceeds to account for by means of other cash disbursements.

I have already shewn, in Section II. that the net balance of Indian debt was inaccurately drawn, owing to an overvaluation of assets to the amount of £3,000,000, or thereabouts. There is a similar error in the home account, but to what extent cannot be shewn.

* Appendix 50.



From these causes, it is clear that the statement before us affords no grounds for coming to any accurate conclusion: it is far too defective to be relied on; and it would be useless to lead the reader through the meanderings of an intricate and confused calculation *on estimates*.

If the fundamental item or basis of the account be wrong, it may be sufficient to say, that all the deductions from that source must be erroneous also. After premising that the net increase of debts at home and abroad, or "the unfavourable variation in the balance of property," only amounts to £11,020,566, it purports to account for this balance, by a statement of extra charges and payments which concurred to occasion it. It is divided into three parts; the first is a statement of charges and payments deemed territorial or political; the second of charges deemed doubtful; and the third is a statement, whereby the alledged commercial profit of the Company is reduced from 21 to 14 millions, leaving a net profit, after paying dividends of upwards of two millions. The object then is to shew, that as the extra charges under the two first heads amount to 13 millions, whilst the net increase of debt is only 11 millions, this excess of charges has been defrayed from the two millions of alleged net commercial profits.

But there is an error in the very title of this account in the balance of debt being reduced to 11 millions, by deducting, from the gross amount, assets at a supposed value, and not at the amount actually expended in creating them. Let us, as before observed, suppose a debt of 15 millions, with assets valued at five millions, though they only cost or employed three millions of the debt in their purchase. It is clear there would, in this case, be 12 and not 10 millions of debt applicable to other payments. So it is precisely in the case before us; if the assets were more accurately valued, the balance of debt applicable to the payments, enumerated in the two first parts of this account, would be considerably greater. If the overvaluation of the Indian assets alone, or about three millions, had not been deducted from that debt, the balance now to be brought forward, instead of 11 millions, would be about 14 millions, and therefore equal to all the cash payments of the Statement 51.

I have already shewn too in pages 161 to 163 that on the principles laid down by the Select Committee, of excluding from the assets "all the bad debts and property merely nominal, &c." and of deducting only the good assets at their supposed value from the

gross debts, the "balance of property, or unfavourable variation," on the whole of the Company's concerns at home and abroad, would be £.13,233,545. The framer of Appendix 51 has however deviated from this principle, by continuing among the home assets an avowedly irrecoverable debt of £.960,000, being a claim on Government decidedly and finally rejected by a Committee of the House of Commons, in 1808.

This sum of £.13,233,545 includes, as before shewn, the arrears of allowances due. Where the object is merely to account for the money raised on loan, these arrears, it may be thought, ought to be omitted.

Deducting therefore from.....	£.13,233,545
The net increase of arrears	764,527

Remains....	£.12,469,018
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And this is the sum which the framer of Appendix 51 ought to have brought forward as the "unfavourable variation" in the whole concern, on the principles laid down by the Select Committee.

By these errors, therefore, at the outset, this account is completely invalidated as to its result; and its plausibility vanishes before a strict investigation of the principle on which it is founded.

There is another error in the body of this account, which deserves to be noticed. The net charge of Bencoolen, &c. is stated at £.2,817,146. This is taken from Appendix 6, Second Report; but we are expressly informed, that the lines of 1807-8 and 1808-9 in that account are stated on estimate, wherefore a corrected statement of these years is given in Appendix 11, Third Report. My statement in page 226 is consequently made up of Appendix 6, Second Report, and the corrected account in Appendix 11, Third Report, whence it appears that the net charge of Bencoolen, &c. is only £.2,707,633. This therefore is the sum which ought to have been placed in Appendix 51, and it would materially alter the balance. At the foot of 51 the reader will perceive a balance of £.55,192, "EXCEEDING THE SUM TO BE ACCOUNTED FOR." This of itself is sufficient to invalidate any figured statement; yet the balance is thought too inconsiderable to be further noticed. The rectification of the error in the charge of Bencoolen, would alter this balance from an excess to a deficiency requiring to be accounted for of £.54,331.



The more we analyze this account, the less reason appears to place any confidence in its result. We shall therefore take our leave of it with adverting to an extraordinary novelty which it exhibits, and which persons in the habit of examining accounts will probably find to be without a parallel, viz. that a statement which at its close, purports to exhibit a NET SURPLUS PROFIT of 2 millions, should have for its first item—after taking credit for every description of property and stock in hand, at more even than its actual value—11 MILLIONS OF AVOWED IRRECOVERABLE LOSS.

SECTION X.

Of the combined debts mentioned in the last Section, the Indian is the most important; and as the Indian expenditure is also more methodically arranged in these accounts, I shall here attempt an analysis of that debt on a different principle to that adopted in Appendix 27, Third Report. Perfect precision must not be expected, because the accounts with which we are furnished will not admit of it; but if the *principle* of my statement be accurate, it will give an entirely new view of the Indian debt; shew how unjustly the “political concern” has been always loaded to ease and favour the commercial, and tend more than any thing to prove the necessity of a radical change, in the commercial administration of the East India Company.

ANALYSIS OF THE INDIAN DEBT.

To form just notions of the nature and causes of the increase of the Indian debt during the period, being £.20,905,194, it is necessary the reader should, in the first instance, carefully inspect the following account, E, No. 6, Second Report, *which is stated by the Select Committee* (Vide Second Report, pages 14, 41, 42, &c.) *to contain every political expence incurred abroad, including the increased expenditure occasioned by the Mysore, Mahratta, and other wars, the Egyptian expedition, the equipments for the reduction of the colonies of our European enemies in the Indian seas; in the words of the Committee,* “EVERY CHARGE INCURRED IN THE GOVERNMENT AND DEFENCE OF OUR POSSESSIONS IN INDIA.”



* APPENDIX, No. 6, to the Second Report from the Select Committee on the Affairs of the East India Company, is a (detailed) Account of the Total Annual Amount of the REVENUES and CHARGES of the several Presidencies of India, as estimated in 1793, and by the actual Accounts from the Year 1792-3 to the Year 1808-9, with the Estimate of the same for the Year 1809-10, as laid before Parliament; distinguishing as to the REVENUES, the Revenues of the Company's Possessions exclusively, from the Subsidies from native Princes, or Collections from Ceded or Conquered Countries; and as to the CHARGES, the Military Charges, and Charges for Buildings and Fortifications, from the Civil, Revenue, Judicial, and Marine Charges, shewing also the Supply to Bencoolen, &c. and the Interest paid on the Debts.

	REVENUES.			CHARGES.			Total Charges, including those on Subsidies.	Surplus Charges.	Net Revenues.
	From the Company's Possessions exclusively, Bengal, Madras, and Bombay.	Subsidies and Collections from ceded and conquered Countries.	Total Gross Revenues.	Military.	Buildings and Fortifications.	Civil Revenue, Judicial and Marine.			
	Amount received at the Three Presidencies.	Gross Amount.							
	£.	£.	£.	£.	£.	£.	£.	£.	£.
Court's Estimate, Feb. 1793.	5,523,625	... 1,440,000	6,963,625	2,917,500	117,875	2,126,950	5,183,125	...	1,775,500
1792-3	5,985,026	... 2,240,602	8,223,628	3,480,536	108,136	2,388,773	6,367,445	...	1,921,021
1793-4	6,359,466	... 1,917,304	8,276,770	3,361,837	115,190	2,412,545	6,066,924	...	2,209,846
1794-5	6,538,628	... 1,487,565	8,026,193	3,409,598	137,143	2,400,913	6,083,507	...	1,942,686
1795-6	6,319,679	... 1,546,415	7,866,094	3,622,546	98,512	2,616,842	6,474,242	...	1,391,847
1796-7	6,484,593	... 1,531,578	8,016,171	4,107,057	122,723	2,686,517	7,091,191	...	924,980
1797-8	6,315,605	... 1,744,275	8,059,880	4,506,454	99,508	2,619,132	7,411,401	...	648,479
1798-9	6,380,884	... 2,271,149	8,652,033	5,473,587	110,129	2,624,277	8,417,813	...	234,220
1799-10	6,777,041	... 2,959,631	9,736,672	5,526,024	162,934	2,952,632	8,998,154	...	738,518
1800-1	6,847,835	... 3,637,246	10,485,059	6,512,423	183,473	3,055,437	10,405,501	...	79,558
1801-2	7,206,926	... 4,956,663	12,163,589	6,996,672	176,156	2,953,741	11,062,452	...	1,140,137
1802-3	7,823,914	... 5,640,623	13,464,537	6,061,169	183,793	3,509,343	10,925,427	...	2,499,110
1803-4	7,876,612	... 5,394,775	13,271,385	7,777,793	163,356	3,518,286	13,001,083	...	270,302
1804-5	8,153,267	... 6,791,128	14,944,395	8,459,263	220,033	3,724,433	14,546,433	...	400,962
1805-6	8,253,698	... 7,149,711	15,403,409	9,032,598	273,336	3,796,587	15,561,328	157,919	
1806-7	7,794,643	... 6,741,096	14,535,739	8,772,422	290,733	3,725,381	15,283,908	749,169	
† 1807-8	8,584,050	... 7,117,036	15,701,086	7,594,259	329,217	3,612,912	13,635,256	...	2,065,830
1808-9	8,379,484	... 7,167,464	15,546,948	7,374,236	315,149	3,419,671	13,284,169	...	2,262,779
* This Appendix is divided in this and the following page, partly for the convenience of printing. The division in this page takes place in the column of Net Revenue.								907,088	18,740,275
† Years 1807 and 1808 taken from Appendix 11, Third Report.								Deduct Surplus Charges.	907,088
								BALANCE OR NET REVENUE...	17,833,187

CSL

PART. III.

E. continued from page 225.

APPENDIX, No. 6, to the Second Report from the SELECT COMMITTEE, on the Affairs of the East India Company.

	Net Revenues, as preced- ing Page.	Supply to Bencoolen, Penang, &c.	Interest on Debts.	Surplus Revenue.	Surplus Charges.
Court's Estimate, Feb. 1798	£.	£.	£.	£.	£.
1792-3	...	50,000	561,923	1,163,577	
1793-4	...	66,217	636,226	1,218,578	
1794-5	...	40,822	526,205	1,642,819	
1795-6	...	62,080	484,301	1,396,305	
1796-7	...	104,154	414,750	872,943	
1797-8	...	101,190	426,347	406,943	
1798-9	...	163,299	603,926	...	118,746
1799-1800	...	120,668	721,550	...	607,988
1800-1	...	171,363	957,256	...	390,081
1801-2	...	156,325	1,062,684	...	1,139,451
1802-3	...	241,220	1,386,593	...	487,676
1803-4	...	196,848	1,361,453	940,809	
1804-5	...	304,056	1,394,322	...	1,428,076
1805-6	...	372,163	1,566,750	...	1,537,951
1806-7	...	250,599	1,860,090	...	2,268,608
1807-8	...	179,197	2,224,956	...	3,152,322
* 1807-8	...	725	2,145,844	...	201,739
1808-9	...	176,707	2,309,836	...	223,764
	17,833,187	2,707,633	20,083,569	6,478,397	11,556,402
				Deduct...	6,478,397
					† 5,078,005

* Years 1807 and 1808, from Appendix 11, of Third Report.

† £.5,078,015 according to Reports.

See note at the foot of page 225. The column of *Net Revenues* is here repeated: the four following columns show the application of the *Net Revenues*, and the amount of the *Surplus Charges*.



From this account, the reader will perceive that the revenues of India have been equal to the payment of all the charges of a civil, military, and political nature, including the heavy expenses of all the conquests, wars, and military expeditions, during the period reviewed *without the aid of loans*: and that the excess of charge to the amount of £.5,078,015 sterling, is, only the balance after paying a column of

“Interest on Debts,” amounting to £.20,083,569
And the supply to Bencoolen, Penang, &c £.2,707,633

As the money borrowed is not among the receipts, it is natural to inquire why the column of interest is inserted in this account? *If the principal of the debt be foreign to it, the interest of that debt can have no claim for appearing here.* Omitting therefore the amount of interest, which is certainly misplaced, and ought to be in the same account where the principal is entered, (*Appendix, No. 26, Third Report*) revenues of India will be seen to have yielded a considerable surplus after paying all the charges, which are above enumerated.

It is moreover important to observe, that all these charges, including the interest on the debts, are allowed only to exceed the revenues of the period in the sum of..... £.5,078,015
Whilst the net increase of debt is..... 20,905,194

Difference..... £.15,827,179

Which being incurred after defraying every description of what even these accounts claim to be a political charge, the difference must and can only be ascribable to the commercial concern. *Were it not so, the charges in this account would exceed the amount of net revenue to the full extent of increased debt.*

But the result of Appendix 6, letter E, is still more fully confirmed by the following statement, extracted from the Court of Directors “Exposition of the Company’s Finances,” submitted to Parliament, under date the 1st of April, 1808, and for distinction sake marked F.



*Extract from Papers relating to East India Affairs. Ordered
by the House of Commons to be printed 22d May, 1810.
No. 1.*

Page 6. " That a more distinct view may be exhibited of the
" Financial State of the Company abroad, at different periods,
" the account, No. has been prepared, to shew the amount
" of the INDIAN REVENUES, of the CHARGES and SURPLUS,
" or DEFICIT of the Company, from the year 1793-4 to 1807-8,
" inclusive, together with the state of the Indian debt, through
" the same space of time.

" From this account the following periods are extracted.

F.

	Revenues.	Charges.	Interest.	Surplus.	Deficit.	Amount of Debt.	
	£.	£.	£.	£.	£.		£.
" 1793-4, First Year of the Company's new Charter.....	8,276,770	6,066,923	526,205	1,683,642	... ..	April 1793	7,971,668
						1798	10,866,588
" 1798-9	8,652,032	8,417,812	759,326	... ..	525,106	Do. 1799	12,811,863
" 1802-3	13,464,537	11,043,108	1,577,922	843,507	... ..	Do. 1803	19,523,737
" 1805-6	15,217,516	15,561,330	2,070,792	... ..	2,414,606	Do. 1806	28,538,804
" 1807-8, per Estimate	14,614,261	13,436,198	2,197,160	... ..	1,019,097	Do. 1808	31,895,000

PART III.

Comparing this statement F with the more general one E, before given, page 225 and 226, we find the columns of total revenues and charges agree, with the exception of those for the year 1805-6. This statement F having been prepared in the beginning of 1808, it is probable the accounts of 1805-6 from India had not been received in a correct state, from which circumstance (as noticed in Mr. Wright's Evidence, Appendix I. Third Report) it often happens, that corrections and amendments are obliged to be made in these accounts at home. The general statement E being the last prepared, we may, therefore, conclude to be the correct one, in which the total revenues for 1805-6 are stated at..... £.15,403,409
 And the total charges at..... 15,561,328

Leaving for this year a net charge of.... £.157,919

The column of interest differs in the two statements here compared, because in F the *whole* sum of interest paid in each year is included. In the general statement E we have only the "Interest exclusive of what was paid on the securities redeemed by the Sinking Fund."

The last line of F, or for 1807-8, is estimated throughout.

After these necessary explanations, if we look at statement F, we shall perceive that the total revenues exceeded the total charges of India in the year 1793-4, so as to leave a surplus of upwards of two millions sterling. At this time the debt was £.7,971,668. The revenues continuing to exceed the charges, excepting only the trifling deficit above noticed of £.157,919, in 1805-6, we might hence reasonably expect to find the debt diminished, instead of which several millions sterling are added in each successive period of the statement.

The years of statement F are, it is true, detached years, but in the regularly continued years of the general statement E, there is a large amount of surplus revenue in each, with the exception of 1805-6 and 1806-7, when a net charge appears. Allowing for the deficit of these two years, the net surplus for the whole period will be found to be £.17,833,137 as shewn in page 225. It hence clearly appears that there was certainly no "political" cause for increase of debt, but an actual surplus; yet, during this time, the debt, as seen in F, went on rapidly increasing, till in 1807-8 it was quadrupled.



Extending our view to the whole period of the general statement, we find, that with an annual surplus revenue, amounting in the aggregate to nearly 18 millions, an addition was made to the Indian debt of £.20,905,194.

This is so decisive of the debt not being political, that from this statement alone we should be justified in pronouncing the contrary of the commonly received opinion, as being hereby fully and incontrovertibly established by the Report of the Select Committee.

The only figured statement, which the Select Committee have given us to account for the increase of debt, is the Appendix No. 26, which will be found at the end of this volume, marked A. It is thought necessary to recal the attention of the reader to it more particularly in this place, because it is of the *greatest importance* that it should now, in conjunction with the preceding accounts, marked E. and F. be attentively considered. We here see, on no less authority than that of the Select Committee, supported by official vouchers, that the goods, stores, and bullion sent out by the East India Company for the purposes of their trade, realized only £.16,254,820, not a third of the amount required for the disbursements on the other side of this account, amounting altogether to £.52,293,289.

It is also seen, that the principal items of that disbursement are commercial *, viz.

Goods for the returning investments to England	£.26,038,266
Commercial charges.....	2,916,279
Advances for freight, demurrage, and for rice ships.	1,128,780
Supplies to the commercial treasury of Canton.....	3,313,654
Advances for which London is debited †.....	286,678
Loss by consignments and remittances.....	873,403
Losses at the presidencies.....	461,428
Assets.....	8,298,666
Dead stock.....	200,000

£.43,517,154

Of the remaining items in Appendix 26, the following explanation is drawn from the reports and vouchers before us, viz.

Excess of political charges.....£.5,078,015

* “Disbursements principally commercial, or in direct supply of England,” is the designation used in the account.

† This is explained in Appendix No. 4 of the Third Report, to be advances to officers and seamen of lost ships, to Indigo contractors, &c.

This excess of charge is explained in Second Report, page 63, to have been partly occasioned by supplies to Bencoolen and Penang, to the amount of £ 2,707,633. It is evident from the Court of Directors own letters, that had it not been for their commerce or commercial views, neither of these settlements would have been kept up. This sum, therefore, must be carried to the commercial head, and the more especially as the Select Committee actually reject it from the political head (Vide Appendix 51, Fourth Report). Of the remainder, or £2,370,382, it will be found, on a moderate computation, that, if the Company's trade had paid customs in India, much more than this amount, I should think at least three millions sterling, would have been added to the receipts. Or, if the Company had not traded, a corresponding additional sum in duties would have been received from those private traders, who would, in such case, have supplied the demand, which the Company have done. In whatever point of view, therefore, this be considered, it is fairly debitable to the commercial head; and it is equally manifest, that if the Company had had no commerce in India, the political concern would not only have been relieved of this excess, but have shown, on the contrary, a further surplus receipt.

Advances for Ceylon, &c.....£.1,661,345

which I have understood to be principally for the purchase of cinnamon and other spices; therefore a commercial item.

Advances on account of H. M. Government.....	£. 913,788	} Political items.
Payment of Nabob's creditors.....	1,058,953	
Raja of Tanjore's ditto.....	64,044	

These united sums make up the above mentioned aggregate disbursements of the account A, or £.52,293,289; but it follows, that of all the component items of that account, the subjoined disbursements are all that can be deemed political, viz.

Excess of political charges, after deducting the net charge of Bencoolen, &c.....	2,370,382
Payment to Nabob's creditors.....	1,058,953
Ditto, Rajah's ditto	64,044
Advances on account of H. M. Government	913,778

£.4,407,157



If however the political head were credited as it ought to be for customs, say..... £3,000,000

Also for the Stock in hand of salt and opium, valued as per Appendix 9, Third Report at..... 951,048

which ought to be credited in this account, as it contains both the charges attending their manufacture, and the receipts from their sale.

And if at the same time it was relieved of a heavy sum of Commercial charges estimated in Part II, page 56, to be upwards of..... 1,000,000

Together £4,951,048

There would then be revenue more than sufficient to pay every political charge, and also the interest on the whole debt.

From this analysis it is clearly to be inferred, that upon a fair and impartial statement of the political accounts, the receipts would exceed the charges of the period, and that the whole column of interest or £20,083,569, in as far as it is not a political charge, would be surplus Revenue. But this column of interest includes the interest on the debt previous to 1793, which must now be considered.

The interest on the debt previous to 1793, averages for the first five years of account E. £497,666. For the whole 17 years of that account, it would amount at this rate to..... 8,460,322

Deducting this amount from the column of interest 20,083,569

And we shall have for surplus revenue during the period, after paying every description of Political charge, that can be traced through all the accounts here reviewed, the sum of..... £11,623,247

This appears to be the fair way of considering the political account, and of ascertaining the surplus revenue actually obtained from the territories; but in whatever way the account be stated, *the important fact of a surplus revenue cannot be concealed*, for if without any additional sums to the credit, we leave all that has ever been or can be pretended to be a charge, including doubtful items, to the debit, of the political head,



Viz. The excess of political charges...	£.5,078,015
The interest on the debt previous to 1793	8,460,322
And the following from Appendix 26, viz.	
Advances on account of his Majesty's Government	913,778
Ditto Ditto Ceylon	1,661,345
P yment to Nabob of Arcot's creditors	1,058,953
Ditto Raja of Tanjore, Ditto	64,044
	17,236,457

And admit the whole to belong to account E: the difference between this amount, and that of the column of interest misplaced in account E, will show the following Surplus Revenue during the period

From the amount of interest improperly charged	£.20,083,569
Deduct the above.....	17,236,457

There still remains as SURPLUS REVENUE... £.2,847,112

After defraying every description of political charge, that can any where be traced, WITHOUT THE AID OF BORROWED MONEY.

The following conclusions are therefore submitted to the judgment of the reader.

That it is this column of interest alone which causes the account E, to shew an excess of charge.

That as the principal of the Indian debt is not included in account No. 6, E, but in that of the "Extraordinary Funds" No. 26, A, and as no part of that debt appears to have been wanted for any political purposes, the interest can only be charged where the principal appears, and that if the debt be commercial as we have shewn, the interest belongs to the same head.

That as the revenues of India would so certainly have yielded a very large surplus but for the commercial transactions of the Company, it is to commerce alone that the debt in its ultimate analysis can be ascribed.

And that the "Political Concern" having been more than equal to defray all its own charges, ought to have received credit for its supplies to the commercial concern.

The Accountant General of the India Company having declared before the Select Committee of the House of Commons, that he had never been able to find out (this was his original expression)



the Company's commercial capital*, we have in this commercial debt sufficient evidence that it has long since disappeared, and the question, *viz.* "how the Company could carry on so extensive a trade, "without capital," which appeared to many persons quite inexplicable, may now be more particularly considered.

There seem to be four means by which trade can be carried on :

First. By means of a free capital.

Secondly. By means of an annual revenue or income.

Thirdly. By means of money borrowed at interest.

Fourthly. By means of money raised on bills, to be paid from the sale proceeds of the goods at the place of consignment.

These different accounts prove that the trade of the East India Company has been carried on for the last twenty years by the three latter means only, *viz.*

By the revenues of India, to the amount of several millions sterling, say, as above, page 234.....	£.2,847,112
By money raised on loan in India.....	20,905,194
By money raised on bills in India, which bills were paid in England from the sale proceeds of the goods consigned.....	14,746,038
	£.38,498,344

This amount of supplies to the commercial concern is undeniable; it is the lowest sum at which they can be stated, after debiting the political head as per page 234 with every political, and even every doubtful charge; and we may now proceed to give an intelligible view of the funds, whence the trade has on the one hand been supplied, or carried on, and the disbursements on the other, according to the official accounts.

The supplies by India amount to £.38,498,344

The amount realized from goods, stores, and bullion, to 16,264,820

And other receipts on sundry accounts as per Appendix 26, letter A, to 393,372

We shall then have as the amount of commercial funds employed in India during the period..... £.55,156,536

* "I conceive, that the actual commercial capital the Company employed ought to be subject to an interest; but what the commercial capital of the Company is, I have never been able to ascertain exactly. Minutes of Evidence taken before the Select Committee of the House of Commons, No. 22, page 382. *Mr. Cartwright's Evidence.*



The commercial disbursements in India are stated in page 231, at	£.43,517,150
To which should be added the interest on the commercial debt since 1793, (that on the debt previous to 1793, having been carried to the political head) vide page 233.....	11,623,247

Total disbursements..... £.55,140,390

Whatever want of precision there may be in the preceding statement from inaccuracies, for which the official accounts are alone responsible, one fact is undeniably proved—that the debt is wholly commercial; the interest thereon becomes consequently a commercial charge; and both are accordingly exhibited now, as they ought always to be, in the same account.

We have thus a view of the origin and first application of the commercial funds—Of the investments provided for England from these funds it may be added that the sale proceeds, after deducting prime cost, have been absorbed (see page 206) in the general charges and losses of the whole concern; whilst it is equally clear, that if the general commercial account (page 206) were debited, as we now see it ought to be, with the sum of commercial interest above specified of more than 11 millions, *it would leave every portion of the dividends at home to be paid with borrowed money.*

It is further remarkable that the prime cost of the India and China investments, greatly exceed the cost in England of the returns to India and China, in goods, stores, and bullion for the corresponding period. The investments being however furnished from funds not requiring to be replaced, as in ordinary mercantile speculation, but from what may be termed annual gratuitous supplies or donations, from the political to the commercial concern—all that is realized from the sale of these investments in England, is therefore so much gained to the commercial concern, and this is consequently, in the absence of any legitimate mercantile capital, the only fund from which these goods, stores, and bullion can be supplied, or ultimately paid for.

It is India therefore, or what is commonly called the “Political Concern,” which has supplied the funds necessary for carrying on

the Company's trade. And all the statements framed to shew the political debtor to the amount of millions to the commercial concern are mere delusion.

The error of supposing the debt political, arose from the circumstance of loans being resorted to on political emergencies, in consequence of anticipations of the revenue by the trade, and the amount of the money borrowed being immediately applied to political services, as is more particularly explained in page 196. Nothing however could have led us to mistake its legitimate parent but inability to penetrate beyond the surface of the Company's intricate concerns, until these Accounts were printed.

I would fain hope, however, that a plain truth, hitherto long concealed, is now fully disclosed; and if so, I must again repeat, that it is of the *greatest importance* to be duly weighed; for with the present burdens on the revenues of India, there are no ostensible means of carrying on the Company's trade, but by heavy additions to the present debt, that is, by draining a country to the ruin of its most valuable resources, to carry on a losing trade, injurious to Britain, but injurious in a tenfold degree to India.

In a former paragraph, page 233, I have shewn, by a simple computation, how much surplus revenue there would have been during the period reviewed, had it not been anticipated by the commerce. It may be satisfactory to see this confirmed by another calculation.

At the commencement of the period the Indian debt amounted to nearly *eight millions*, the particulars of this debt are not given; but on examining the same account, 2d Report, Appendix 6, it appears, that the revenues at this time, and for the five succeeding years, yielded a surplus, after paying all charges and the interest also on this debt. We have hence strong grounds for at least supposing that the debt, previous to 1793, was also commercial; but not wishing to assume any thing, we will consider the whole of this debt to be political, and the interest payable thereon to be a political charge throughout the remaining period.

The case might then be stated as follows:

The total sum of interest paid from 1792 to 1809, is 20 millions, which, if it had been put out at compound interest, at the average rate of nine per cent. would amount to 35 millions.

The *whole* Indian debt, at the commencement of the charter, say in round numbers eight millions, at the same rate of compound interest would amount to 32 millions in 1809, that is, eight millions the original principal, and 24 millions of interest.



Deducting this latter sum of interest from the preceding 35 millions; the difference being 11 millions would, in this case, have been the surplus revenue during the period, agreeing with the calculation in page 233, instead of the present addition to the debt of 20 millions, making therefore a difference of 31 millions in the Company's favour.

It follows, therefore, that if there had been no commerce during the last charter, and that the "Political Concern" had been managed to the best advantage, the revenues of India, though loaded with the whole debt previous to 1793, would still have yielded a net gain or surplus to the Company of at least eleven millions, to extinguish the original debt of eight millions, together with a disposable surplus at the close of the period of upwards of two millions sterling per annum.

If this had been the case, what would now be the value of India stock? Or what might not be done to promote the wealth and prosperity of India?



SECTION XL

RECAPITULATION.

THE conclusions to be drawn from this examination of the Company's accounts, embracing objects whose numerical value exceeds the amount of 170 millions sterling, and involving considerations which affect the rights and interests of sixty millions of our fellow-creatures in India, as well as the rights and interests of the East India proprietors at home, fully justify the observations in the Second Speech, that the whole concern has been a losing one; and it seems impossible to ascribe the loss to any other cause than the Company's commercial expenditure.

This will appear more certain from a brief recapitulation of the principal accounts which have been brought under review.

The cash accounts, No. 22 and 48, prove, that all the commercial operations of the Company, though facilitated by annual advances from the territorial revenues of India, have been insufficient to the payment of the demands on the Company's treasury, without borrowing, in England, the sum of

£4,976,422

a full and explicit confirmation of which will be found in the statement of Section 7.

From account E, page 225, it is shewn, that all the political charges in India, were defrayed from the revenues during the period, in which, however, it is admitted by the Select Committee, that the additional debt or "Unfavourable Variation" amounted to

£11,020,566.

If it should again be a question, from what cause this debt has been contracted, what has occasioned this "Unfavourable Variation" in the Company's affairs to such an amount; reference might be had to the account in the Third Report, page 19, in which the political head is made to be debtor to the commercial only in the sum of £1,629,701, but this is not sufficient to explain the "unfavourable variation" of..... £11,020,566

Were we even to admit a balance to be due from the political head, (notwithstanding the objections stated to that account in Section III) of.....

1,629,701

The difference..... £9,390,865

would still remain to be accounted for on the principle adopted by the Select Committee.



The general account of the commercial concern, page 206, exhibits, it is true, a balance of profit on the trade, in the sum of £5,675,339; but no one would dispute the propriety of charging the trade with common interest on the capital employed in carrying it on, if these accounts had any where stated a specific sum as the commercial capital of the concern, on which the interest could be calculated: although this is not done, (See Evidence of Mr. Cartwright, page 202) the account E, page 225, exhibits a sum of £20,083,569, paid for interest on the Indian debt contracted, as shown in page 196, and as might be expected, to supply the want of capital in a trade which has extended to the amount of £170,000,000 sterling. Such a trade, it is obvious, must have required no less a capital than has been thus derived from the revenues of India, to the full extent, stated in pages 235 and 236.

The sum of £11,020,566, the admitted unfavourable variation on the Company's concern, may, with great propriety, be considered as only part of the amount paid for interest for commercial purposes; and if this interest on the capital had been charged to the debit of the general account of the commercial concern, the balance would then exhibit a very different result.

The attainment of complete precision in any of these statements, such as ought to appear in a commercial balance sheet would require vouchers, which the Court of Directors alone can produce; the author having access only to such as the Honourable Court have laid before the Select Committee, the want of it may be here excused; and without detaining the reader to search further for it at present, this general examination of the company's accounts shall here close with recurring to what admits of no question.

Of the profit on the returns of the Company's trade or £5,675,339 by the general account, page 206, and of all the surplus revenues of India, it is remarkable, that not the smallest fractional part has been divided among the proprietors of India Stock since the last renewal of the charter. The increase of the Company's debt amounts, as may now be stated, on the authority of parliament, (see Appendix 51) to £11,020,566 Of this, which is so much borrowed money, only... 10,636,845 has been distributed in half yearly dividends among the proprietors; whilst the original capital, all the imagined profits of the trade, and the surplus receipts from all the Company's territorial acquisitions are expended, and irretrievably lost to the proprietors.



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CONCLUSION.

AFTER the analysis of these intricate accounts, which shew what are the means by which the Company's commerce has been supported, or can now be carried on, the Reader will have no difficulty in perceiving the great importance, of combining the result with his deliberations on the revenue systems, now in force in India. He will here see that it is to support a losing and ruinous commerce, that the resources of India have been misappropriated; for this they are required in excessive amount, and not for the political objects of necessary protection and defence. It is to glut a monopoly which lives but to devour, and which an enlightened and liberal policy would disavow, that our Indian subjects are loaded with a tax unprecedented in its rate, necessarily vexatious in its exaction, and effectually obstructive of prosperity in the fairest regions of the globe. Among the objects that demand the attention of legislators, are there any which may justly be preferred to these? Do they not require primary consideration, and impressively appeal to the feelings of those, whose breasts are most alive to the advancement of human welfare?

In tracing the causes which, to my conviction, account for the present backward and stationary state of our Eastern possessions, I shall feel much disappointed, if my remarks are supposed to be intended to convey personal censure, or to attach blame to characters of deserved respectability. It is the system throughout which I condemn, and I only condemn it, because twenty-six years experience has fully convinced me of its injurious effects. No maxims can be more trite than that frailty is the lot of man; that it is easier to detect error in others than to guard against its original commission in ourselves; and that no human work was

ever begun which did not admit of progressive improvement : but with these convictions of the inevitability of error, how puerile is that sensibility, which fires at its disclosure, and opposes with acrimony every attempt at salutary improvement ! Measures which are undeniably felt as evils it is a perversion of talent to defend—the only manly course is to avow and reform them.

The necessity of a full exposition of the existing evils in the system causes them to be the prominent features of this treatise ; but the contemplation of unmixed evil is always cheerless—it has been consequently mingled with intimations of the advantages, which would result from a different course, and these shall now be repeated.

The evils complained of may be referred to two principal sources, the Company's commerce, and the land-tax in India ; and it is from the gradual abolition of the one, and the reduction of the other, to a reasonable standard, that the following benefits may be anticipated.

By the gradual abolition of the Company's commerce, they will be relieved of the certain incumbrance of additional debt, which, at the rate it has latterly increased, must, at no very distant period, involve them in irretrievable ruin.

By leaving the Indian trade free and open to all, the internal wealth and resources of India will be incalculably increased, its productions will be multiplied by an effectual demand, and the land being thus rendered more valuable, and giving a higher rent, the present tax, where it is declared to be permanently fixed, will be reduced in relative proportion to the principal value and annual produce of each estate.

By withdrawing from the trade of India, the Company's government abroad will restore satisfaction to countries, where their commercial interference now occasions irritation and discontent ; and as internal prosperity increases, their sovereign interests must of necessity be proportionably improved. Imaginary would thus be exchanged for real benefits ; and for the immense losses and burthens which their commerce has actually entailed on the Corporation, resources would be substituted, continually augmenting with the growing wealth of their subjects.

We have seen how the revenues of India yield a considerable surplus, which is absorbed by the Company's commerce. During the period reviewed, this surplus would have been sufficient to have liquidated the whole of the debts abroad, whilst no addition would have been made to those at home. With good

management this surplus would still rapidly conduce to the reduction of their present accumulation of debt, and leave, as we have seen, an ultimate surplus of two millions per annum.

But this effect would be much heightened by just attention to the revenue system. Free commerce would conduce to diminish the relative amount of the land-tax, in the districts where its rate has been permanently fixed. In immense tracts of country it is still open to any modification that may be resolved on. In this respect the case adduced by the Select Committee of the almost incredible success, which accompanied the reduction of the tax in the ceded districts, whereby the aggregate revenues were increased in eight years from 10 to 18 lacs of star pagodas, and which the Select Committee themselves chiefly ascribe to this reduction of rate, cannot be too often brought to notice, or too strongly insisted on. We have here at once a memorable proof of the paralysing effects of the tax at the ordinary rate of its exaction, and of increased industry and augmented revenue from its reduction, probably not to be equalled in the history of any other country. With this example before us there can be nothing sanguine or visionary in the anticipation, that a more general and still greater reduction of the land-tax, in all those districts to which that blessing may yet be extended, coupled with entire freedom to the manufacture and commerce of their products, would increase the prosperity of India, and the resources, efficiency, and security of its internal government, far beyond the grandeur and wealth of its ancient state.

By the change of measures, therefore, thus suggested, instead of further additions to the public debt, effectual relief would be obtained from present incumbrances; instead of a stationary state of society, which must render every addition of debt doubly burthensome, if not quite insupportable, a state of vigorous and advancing prosperity would make even present burthens comparatively light; and, instead of subjects, irritated by the arbitrary exercise of power, or at best but indifferent to their rulers, we should have a flourishing and satisfied population, contributing to the strength and permanency of our empire abroad, by the most solid of all supports, the increasing happiness and wealth of attached subjects.

Of the natives of India I may be permitted to add, that they are naturally acute and intelligent; and whatever prejudice may say to the contrary, that they possess as much industry as any other known people, an industry that never fails to manifest itself, when

it is not kept down by the overwhelming pressure of arbitrary power. They have many and distinguished virtues, with fewer vices than the long continued despotisms they have groaned under might be admitted to excuse; their patience is exemplary; and instances are numerous of the warmest attachment to those among their superiors, who practise the same virtue towards them. Europeans of forbearing dispositions, and whose sense of right has induced them to be just and patient in their attention to the representations and wants of the natives, have experienced this grateful feeling in an eminent degree. With an uncommon share of natural good sense, they are easily persuaded by sound reasoning. With little or no patriotism, the want of which is the natural consequence of a series of despotic and unstable governments, they have none of those predilections for ancient political institutions, which arise from a sense of long experienced benefits, and which, in other countries, are a bar to reform. If to these considerations of national character and disposition be added, the submission with which the natives of India have generally received political changes, and some of them of very rigorous operation, we shall need no other proof to be convinced of the facility with which they might be governed, and of the readiness with which they would accede to reforms, calculated in reality, and in effect, to promote their interests and comforts. There is probably no other known country where a government, founded on these just and benevolent principles, could be so easily introduced, or administered with such success. Certainly there is none where, from natural advantages and productions, and from the amiable character and useful virtues of the people, a more inviting field presents itself, both for the exercise of legislative wisdom, and of those finer feelings of the mind, under whose impulse the philanthropist has, in all ages, delighted to promote the happiness and prosperity of his fellow-creatures.

Whether, therefore, we confine our views to present policy and justice, or extend them to future advantages, it is the condition of this interesting but oppressed people that demands our most serious attention—a people who, in every general arrangement for India, ought to have been first considered, yet have ever been most neglected—their interests sacrificed to monopoly and revenue—and their energies so paralysed by arbitrary power, as to preclude all rational hope of that civil and moral improvement, which has excited so much pious solicitude in this enlightened country.



Half a century's duration of the British government in India has yet produced no change, moral or physical, in their state. With the exception of the chief commercial towns, where a greater freedom, than in other parts, from arbitrary and vexatious restraints, plainly proves what the people may become, they are the same indolent race, with the same indifference to external events, to which ages of preceding despotism had debased them. But there is no greater error—perhaps no greater presumption—than to ascribe factitious effects to the hand of nature. What God made after his own image he saw was good; and even the punishment of fallen man deprived him not of his natural energies, for “in the sweat of thy face shalt thou eat bread,” was denounced to Adam, and intended to characterize the earthly existence of his posterity. In submission to this sentence, man is no where an indolent creature, but from adventitious causes; and it is by counteraction of the divine commandment to labour, that despotism in all countries, and among all people, produces its most extensive mischiefs. Whatever false theorists, misled by superficial observation, may urge on the natural character of native Indians, I hesitate not—confirmed by long experience—to assert, that they are capable of every virtue, and of every acquirement that adorn the human mind; that what they now appear to be is not their nature, but what the caprices and severities of their rulers have made them; and I lament to add, that the habits, which previous despotisms had established, the British Government has not yet changed.



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GLOSSARY

OF

INDIAN TERMS.

A.

ABKARY—Taxes on spirituous liquors and intoxicating drugs.

Adaulut—Court of Justice.

Aumance—Land in charge of an Ameen, where Government receives its share of the produce in kind.

Anna—Sixteenth part of a rupee; also a sixteenth part generally.

Aumildar—Superintendent of a district, exercising civil, military, and financial powers.

Aumlah or Amlah—Agent, or public officer, the officers of Government collectively.

Aurang—Place where goods are manufactured.

Ayangada or Ayengandealis—Principal men or members of a village. The establishment maintained for conducting its public concerns.

B.

Banyans—Merchants, and mercantile agents, of the Banyan cast.

Bejutapauts—Cotton cloths manufactured at Surat and elsewhere.

Biggarees—Porters.

Buzar—Market-place.

C.

Candy—A weight which varies in different parts of India.

A Surat candy of cotton, of 20 maunds, is equal to 784 lb.

A Telichery candy of pepper 640 lbs.

Canongoe—An officer, whose duty it is to register every thing relating to land revenues, tenures of land, local customs, &c. and to decide thereon in disputed cases.



- Chelloes—A cotton cloth manufactured at Surat and elsewhere.
Circar—An extent of country, consisting of several chucklas, q. v.
Often used to express the Government itself.
Circar lands—Government lands, claimed as the Government right, or property.
Chuckla—A district consisting of several Purgunnas, q. v.
Curnum—Accountant and general register of a village.
Cutchery—Public office, where the revenues are paid, and other business regarding them transacted.
Cuppaas—Uncleaned cotton.
Cherkah—A machine for cleaning cotton.

D.

- Dandees—Boatmen.
Decoits—Gang robbers.
Deshaye or Deshoy—Headman of a district; an officer corresponding with Zemindar, q. v. but more ancient.
Deshmook—Same as Deshaye.
Despandeah—An officer corresponding with Canongoe, q. v.
Dewanee—Office or jurisdiction of a Dewan, by which title the East India Company are Receivers General in perpetuity of the revenues of Bengal, Bahar, and Orissa, under a grant from the Great Mogul.

F.

- Fanam—A gold coin in Malabar, of which $3\frac{1}{2}$ make one Rupee.
Fanam—A silver coin, 42 make a Star Pagoda.
Fuslie—The harvest year; and therefore used in India in Revenue accounts. The æra commences 593 years later than the christian.

G.

- Garce—A dry measure at Madras of 300,000 cubic inches. When grain is sold by weight, 9,256 $\frac{1}{2}$ lb. are allowed to a garce.
Grassias—Ancient proprietors of land in Guzerat.
Gerayat—A man whose duty is to guard crops.
Goud or Gour—Head man of a village.



H.

Havelly Lands—At Madras, lands the assumed right and property of Government, and under its immediate management.

Hircarra—A messenger; also employed to procure intelligence.

J.

Jotishee or Joshee—Astrologer.

Jummabundy—Settlement of the total revenue of the year. A written statement of the same.

Javabuavees—A writer, clerk.

K.

Khettries—The second Hindoo cast. At Surat a class of manufacturers of piece-goods go by this name.

Kulmees—A cast of weavers at Surat.

L.

Lac—One hundred thousand.

Lascars—Indian sailors.

M.

Maund—A weight which varies in different parts of India.

The Bengal Buzar maund is 82 lb.

The Telichery maund of pepper 32 lb.

A maund of Surat cotton, $37\frac{1}{2}$ lb.

Meerassadar—Hereditary occupant, or proprietor of land.

Meyer—A species of cloth manufactured at Surat.

Meetah—A writer or clerk.

Minedars—Labourers in the salt works in Bengal, under the Molungees, q. v.

Molungee—Manufacturer of salt.

Mocaut—Tax on goods, shops, and persons collected in the city of Surat.

Mokuddin—Head man, or cultivator of a village.

Mougar—Surveyor, manager.

Mootahdar—The holder of a Mootah, *i. e.* farm or estate. A person on whom the Zemindary (q. v.) rights of a Mootah are conferred by the Government, under the conditions of a perpetual Settlement.



Mootahdary or Mootahsazy—Relating to a Mootah or Mootahdar.

Mundil—Same as Mokuddim, q. v.

N.

Nauncaur—Special grants of land.

Neccanees—Name of a cloth manufactured at Surat and elsewhere.

Naat Gom, or Nautam Kar—Head man, or cultivator of a village.

Neerguntce—Distributor of water for irrigation.

Nunja—Wet land, and therefore fit for cultivation of rice, used in contradistinction to Punja, q. v.

P.

Paddy Lands—Rice lands.

Peshcar—Chief agent, manager, or assistant.

Paleary—A watchman.

Pausbaun—The same as Paleary.

Peon—An inferior officer employed in revenue, commercial, police, and judicial duties, sometimes armed.

Phoorza—Once the Nabob's custom-house at Surat.

Punja or Poonja—Lands for the culture of dry grains, *i. e.* grain not requiring artificial irrigation.

Purgunnah—A district, consisting of several villages.

Polygar—Chief of a district, generally a military chieftain.

Potee—Watchman.

Puttel or Potail—Head man of a village.

Potwaree—A register, the same as Shambogue and Carnum, q. v.

Pagoda-Star—A coin valued at eight shillings in the Company's accounts.

Accounts at Madras are kept in pagodas, fanams, and cash.

One pagoda, 42 fanams.

One fanam, 80 cash.

R.

Rea—A coin of account, of which 400 go to one rupee.

Rupee—A coin of different value in different parts of India.



- Bengal sicca rupee, valued in the Company's *s. d.*
accounts..... 2 6
Ditto, current rupee, ditto, ditto..... 2 0
Bombay rupee, ditto, ditto..... 2 3
Accounts in Bengal are kept in current rupees, annas, and
pice.
One current rupee, 16 annas.
One anna 12 pice.
Bombay accounts are kept in rupees, quarters, reas.
One Bombay rupee, 4 quarters.
One quarter . . 100 reas.
Ryot—Cultivator, or tenant of land. Peasant, subject.

S.

- Sayer—Inland customs.
Schulwar—A watchman.
Shambogue—A village-accountant, so termed in the south of India.
Sircar, same as circar, q. v.
Sirdar—Chieftain, captain.
Sotuntrum—Land free of rent.
Soubah—Grand division of a country, which is again divided into
circars, chuklas, pergunnahs, q. v. and villages.
Syrang or Serang—A captain of Lascars, q. v.
Sornadayem—Rent receivable in money, not in kind.

T.

- Talook—A district.
Tindal—An officer over Lascars, but inferior to the Syrang.
Thassildar or Tehsildar—Native collector of revenue under an
European or Zemindar.

W.

- Wadeyar—Much the same as Polygar.
Wuckarias or Bukharias—Cotton cleaners.

Z.

- Zemindar—"Landholder, land-keeper, an officer who, under the
"Mahommedan Government, was charged with the super-



"intendence of the lands of a district, financially considered, the protection of the cultivators, and the realization of the Government share of its produce, either in money or kind; out of which he was allowed a commission, amounting to about 10 per cent. and occasionally a special grant of the Government's share of the produce of the land of a certain number of villages for his subsistence, called Nauncaur. The appointment was occasionally renewed, and as it was generally continued in the same person, so long as he conducted himself to the satisfaction of the ruling power, and even continued to his heirs; so in process of time, and through the decay of that power, and the confusion which ensued, hereditary right (at best prescriptive) was claimed and tacitly acknowledged, till at length the Zemindars of Bengal in particular, from being the mere superintendants of the land, have been declared the hereditary proprietors of the soil; and the before fluctuating dues of Government have, under a permanent settlement, been unalterably fixed in perpetuity."

Gloss. Fifth Report.

Zillah District—Division of a country, having reference to personal jurisdiction.

ERRATA. PART I.

The paragraph in page 49—beginning with the words “Need I appeal,” is misplaced in printing. It should have followed in page 48, the paragraph concluding with the words—“Trade would create.”

Page 80, line 10, from bottom, for “stands” read *stand*.

28. In note, for “Fareker’s” read *further*.

ERRATA. PART II.

Page 15, line 7, from the bottom, for “whole” read “former.”

23, ... 5, ... ditto dele “thereby.”

23, ... 6, ... ditto for “observable most” read *most observable*.

ERRATA. PART III.

164. After the figures 15,489,575, the star of reference to the note is omitted.

167. Line 17, from the top, after the figures 873,403, the star of reference to the note is omitted; and in the note for “Appendix 23,” read Appendix 22. N. B. The page 12 and Appendix 23 of the Fourth Report may be referred to for the sum next mentioned, under remark 6, page 168.

173. Last line but one, for “£.5,076,015” read “£.5,078,015.

174. Second line from top, for “page 11” read page 163.

— Line 19 from the top, dele ruled line and addition.

177. Line 14 from the bottom, for “page 8” read page 162.

180. First line after the word “result,” the mark † of reference to the note is omitted.

In note at the bottom of the page, dele “*Vide letter C annexed.*”

182. In note, dele the words “also the account of Extraordinary Funds in Appendix 26, Third Report.”

190. In note, for “page 20” read page 10.



A.

PART III.

An ACCOUNT, shewing the Amount of EXTRAORDINARY FUNDS, received into the Treasuries in India, with the Application of the same, from the Year 1792-3 to the Year 1808-9, inclusive.

D. RECEIPTS.				C. DISBURSEMENTS.			
		£.	£.			£.	£.
App. No. 2.	Money borrowed on loan in India, between the years 1792-3 and 1808-9; or increase of debt at interest.....	19,959,897		App. No. 11.	Excess of political Charges in India.....	5,078,015	
Ibid.	Money received on bills, deposits, &c. in same period; or increase of floating debt.....	945,297		— No. 12.	Disbursements, principally Commercial, or in direct supply of England;.....	£.	
			20,905,194	— No. 14.	Commercial charges not added to the invoices.....	2,916,279	
App. No. 8.	Received in supplies from England:			Nos. 15 & 16.	Advances for the purchase of investments.....	26,038,266	
— No. 3.	Sales of goods and stores.....	8,904,068		— No. 4.	Supply to Canton, net amount.....	3,313,654	
Ibid.	In bullion.....	7,360,752			Advances to commanders of chartered ships, on account of freight and demurrage.....	£946,422	
	For bills of exchange on the Court of Directors, including those for principal and interest of the debt.....	14,746,038		Ibid.	Ditto, on freight, &c. on rice ships.....	182,358	
Ibid.	Received on sundry accounts.....	393,372				1,128,780	
			31,404,230	Ibid.	Advances on account of his Majesty's navy, &c.....	402,069	
				Ibid.	Ditto, to the governor of Ceylon, on his bills upon his Majesty's government.....	318,246	
				Ibid.	Ditto for ships building for his Majesty's service.....	193,463	
						913,778	
				Ibid.	Advances upon sundry accounts for which London is debited.....	286,678	
						34,597,435	
				App. No. 17.	Advances on account Ceylon and the Eastern Islands (not included in territorial charges) repaid in England.....	1,223,571	
				ibid.	Advances on this account (not included in charges) not admitted.....	437,774	
						1,661,345	
				App. No. 18.	Payment to private creditors of Nabob of Arcot.....	1,058,953	
				— No. 19.	Ditto to private Creditors of Rajah of Tanjore.....	64,044	
				— No. 22.	Loss on remittances and consignments from port to port in India.....	873,403	
				— No. 23.	Losses at the several Presidencies, not included in the charges.....	461,428	
				— No. 2.	Increase of assets, in so far as it was produced by the application of Indian funds at the three Presidencies and Marlbro'.....	8,298,666	
				— No. 25.	Increase of dead stock in India, estimated to have been purchased by Indian funds.....	200,000	
						£ 52,293,289	
					Balance to be accounted for.....	16,135	
					Total disbursements.....	52,309,424	
	Total Receipts.....		52,309,424				

A a

PART III.

STATEMENT, shewing generally the Causes to which the Alteration of the Balance in India, as per Appendix No. 2, is presumed to be immediately attributable.

	Increase of Debts.....	£ 20,905,194	
	Increase of Assets.....	8,298,666	
	Difference.....	£ 12,606,528	
Appendix,			
No. 11.	Excess of political charges in India.....	5,078,015	
No. 12.	Commercial charges not added to the invoices.....	2,916,279	
No. 26.	Advances for supply of England in excess of receipts.....	276,926	
No. 17.	Advances on account of Ceylon and the Eastern Islands, not included in the Indian charges.....	1,661,346	
No. 18.	Payment to private creditors of the Nabob of Arcot.....	1,058,953	
No. 19.	Ditto, of the Rajah of Tanjore.....	64,044	
No. 22.	Loss on remittances and consignments from port to port in India.....	873,403	
No. 23.	Losses at the several Presidencies, not included in the charges.....	461,428	
No. 25.	Purchase of dead stock in India.....	200,000	
		£ 12,590,393	



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B.

PART III.

An ACCOUNT of the Balance of Supplies Between India and England, from the Year 1792-3 to the Year 1809-10 England, corresponding with the Year 1793-4 to 1810-11 India.

Seasons Outward, September to September, from 1792-3 to 1809-10.	EXPORTS; Goods, Stores, and Bullion, Invoice Amount.	Seasons Homeward, September to September, from 1793-4 to 1810-11.	Bills of Exchange.	Profit on Exports.	Loss on Exports.	Total Amount of Supplies.	Imports Invoice Amount.	Commercial Charges in India, not added to the Invoices.	Total Imports.	Imports more.	Imports less.
Total...£.	19,894,539	£.	22,982,091	* 428,220	38,874	43,265,976	26,792,304	3,119,161	29,911,465	3,810,635	17,165,146

Balance against India brought down.....		£.	13,354,511	Brought up.....£.		21,176,416	Deduct...	3,810,635
Add, Passage of Military paid in above 18 years	1,118,383			Deduct, Bills of Exchange drawn from India in favour of the Company, and payments made in India on account of England, 1793-4 to 1810-11.....		2,060,874		
Political charges in England, ditto.....	3,492,651			Monies received of Government for supplies, &c. to March 1, 1811....		5,253,990		
Political charges, included in accounts of freight and demurrage, ditto.....	594,090			Deduct for Disbursements made in Europe, and not already charged India in the account of territorial charges, or political freight and demurrage.....		874,081		
Officers on furlough and retirement, ditto...	1,412,146			Add, advanced by government in 1811, to be repaid by disbursements in India on account of government.....		1,500,000		
Sundries for the use of the military on voyage, ditto.....	171,466			Deduct, Sale of ships built in India..		169,986		
Amount paid to Government for participation and for troops.....	600,000			Cost of imports from India, received at China.....		4,035,499		
Ditto, for seamen, and for hire of ships taken up as armed ships.....	75,290			Costs of imports from India, received at the Cape of Good Hope.....		89,081		
Rajah's and Nabob's bonds, with interest on sums provisionally adjudicated the Creditors Nabob of Arcot.....	357,879			Bills of exchange re-invested and sent back to India.....		917,000		
		7,921,905					13,152,349	
Carried up.....£.	21,176,416							

Imports are calculated at 2s. 0d. per current rupee.
8s. 0d. per pagoda.
2s. 3d. per Bombay rupee.

Bills calculated at the rates at which they were drawn.

N. B. These latter rates are considerably higher than the exchange at which the Imports are turned into pounds sterling.

• Profit on stores included.	(Signed)	C. CARTWRIGHT, Accountant General.	Balance against India...£.	8,024,037
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East India House,
March 19. 1813.

(Errors excepted.)

Appendix, No. 22, to the 4th Report from the Select Committee on the Affairs of the East India Company, showing the Amount of the Proceeds of the Sales of Goods and Merchandise of the East India Company in Great Britain, and of their Commercial and other Receipts, Charges, and Payments in Great Britain, under the several Heads thereof, for Seventeen Years, from 1793-4 to 1808-10 inclusive.			
RECEIPTS during the whole Period. Each Year's Receipts being specified separately in the Report, it may suffice here to give the totals.	Totals.	PAYMENTS ut per contra.	Totals.
Received for new stock.....	£. 2,027,295	Paid for customs.....	£. 6,239,008
for sales of Company's goods.....	103,353,633	for freight and demurrage.....	23,645,283
for saltpetre to the Board of Ordnance.....	961,941	for goods and stores exported.....	28,417,196
for charges and profit on private trade.....	2,440,937	for India debt.....	6,307,200
for almshouses at Poplar.....	7,515	for bills of exchange from India.....	£. 8,518,718
of Government for interest.....	629,225	China.....	8,667,136
for Loans from the Bank.....	1,600,000	Cape of Good Hope.....	6,650
of Indigo contractors.....	13,767	for bullion exported.....	8,956,879
of persons returned from India.....	73,736	Bank for loan on bonds.....	1,400,000
annuity for the proprietor.....	70	for charges general.....	11,002,500
of Government for stores and supplies to troops.....	5,480,086	for Indigo contractors.....	58,570
on Chinsurah cause.....	59,143	for dividends on stock, and interest on annuities and bonds.....	12,512,284
for bonds issued.....	7,081,800	for bonds paid off and paid in.....	5,373,199
for loyalty loan.....	1,727,122	for buyers of tea returned.....	364
for duty on tea.....	16,519,528	for Government half yearly payments.....	500,000
for ships sold to Government.....	169,986	on Chinsurah cause.....	120,665
on account of hemp to be provided for Government.....	160,000	for purchase of teas on the continent.....	489,266
		for seamen for Government.....	47,000
		for almshouses at Poplar.....	37,135
		for bonds to Rajah of Tanjore's creditors.....	225,056
		for purchase of rice.....	12,433
		Government for troops, &c.....	100,000
		Ditto payments on loyalty loan.....	1,835,000
		for officers on furlough.....	1,229,090
		for captains of ships worn out.....	355,190
		for duty on tea.....	16,454,358
		for bullion exported on account of hemp for Government.....	80,243
		to Nabob of Arcot's creditors.....	10,960
	142,305,784		143,201,383
Thus far the payments exceed the receipts, and in a note at the foot of the account there is the following		ADJUSTMENT.	
ADJUSTMENT.		Deduct—Paid Bank for loans.....	£. 1,400,000
Cash in Treasury 1st March, 1793.....	£. 726,826	Bonds paid off and paid in.....	5,373,199
Increase of cash in Treasury by addition of the } tea duties on 1st March, 1805..... }	560,638	Paid duty on tea.....	16,454,358
	1,287,464	Paid for bullion on account of hemp } for Government..... }	80,243
Total amount of Company's funds.....	143,593,248		23,307,800
DEDUCT			
Received for new stock.....	£. 2,027,295		
for loans from the Bank.....	1,600,000		
for bonds issued.....	7,081,800		
for duty on tea.....	16,519,528		
for ditto in Treasury 1st March, 1805.....	560,638		
on account of hemp for Government.....	160,000		
	27,943,261		
Total receipts, exclusive of capital, stock, and loans.....	115,643,987		
Signed, Thomas Nicholas Wittwer, Accountant.			
Thus far the Appendix carries the account of the proceeds of the sales and commercial and other receipts, charges, and payments, in Great Britain, for seventeen years, without striking the balance, which is.....	4,249,596		
	£. 119,893,583		£. 119,893,583
Explanatory Note referred to from page 190, and from N. B. on the back of letter D.		By balance of this account, being the amount in which the payments by the Company have exceeded their receipts.....	£. 4,249,596
Total payments, exclusive of repayments of loans.....	119,893,583	* The amount of borrowed and other monies, for which the Company is responsible, thus appears to be.....	£. 4,249,596
Total receipts, exclusive of capital stock and loans, and the balance of cash in hand in 1793.....	114,917,161	The amount repaid is stated at.....	23,307,800
Total deficit within the period.....	£. 4,976,422	To which add amount of the balance due on private trade, The receipts on which during the period } are stated in this Appendix at..... }	4,641,461
Deduct the difference between the greater balance of cash in hand in 1793 over that of 1810.....	72,659	The payments.....	30,000,110
Leaving for the amount required to be borrowed as above.....	£. 4,903,763		262,302
		This is the sum borrowed, and for which the Corporation is indebted on this account.....	4,903,763
		Deduct cash in hand 1st March, 1810.....	654,167
		And we find the same balance.....	£. 4,249,596